OMB FINAL SEQUESTRATION REPORT FOR FISCAL YEAR 2000

COMMUNICATION

 ${\rm FROM}$

THE DIRECTOR, THE OFFICE OF MANAGEMENT AND BUDGET

TRANSMITTING

THE FINAL OMB SEQUESTRATION REPORT TO THE PRESIDENT AND CONGRESS FOR FISCAL YEAR 2000, PURSUANT TO 2 U.S.C.



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EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET, Washington, DC, January 25, 2000.

Hon. J. Dennis Hastert, Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Enclosed please find the OMB Final Sequestration Report to the President and Congress for fiscal year 2000, as required by the Budget Enforcement Act of 1990, as amended.

The report provides current estimates of the status of discretionary spending and the discretionary limits. It also provides the status of pay-as-you-go legislation. Comparisons with the estimates provided by the Director of the Congressional Budget Office in his report are also included.

Based on the estimates contained in this report, neither discre-

tionary nor pay-as-you-go sequesters are required. Sincerely,

JACOB J. LEW, Director.

Enclosure.

Identical Letter Sent to The President and The Honorable Albert Gore.

OMB FINAL SEQUESTRATION REPORT TO THE PRESIDENT AND CONGRESS FOR FISCAL YEAR 2000



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

THE DIRECTOR

January 25, 2000

The President The White House Washington, DC 20500

Dear Mr. President:

Enclosed please find the OMB Final Sequestration Report to the President and Congress for fiscal year 2000, as required by the Budget Enforcement Act of 1990, as amended.

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Based on the estimates contained in this report, neither discretionary nor pay-as-you-go sequesters are required.

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GENERAL NOTES

- All years referred to are fiscal years unless otherwise noted.
 Details in the tables and text may not add to totals due to rounding.

I. OVERVIEW

The Budget Enforcement Act of 1997 (BEA of 1997) extended and modified the expiring enforcement requirements of the Budget Enforcement Act of 1990 (BEA of 1990). The BEA of 1997 established new limits, or "caps," for discretionary spending through 2002. It also extended the requirement that legislation affecting direct spending or receipts not result in net costs to the Federal Government. The Transportation Equity Act for the 21st century (TEA-21) further modified the discretionary spending limits and created new limits for highway and mass transit spending. An across-the-board reduction of non-exempt spending, known as "sequestra-

tion", enforces compliance with these constraints.

The BEA requires that OMB issue reports on the overall status of discretionary and pay-as-you-go legislation. The end-of-session report, which OMB is required to issue after Congress adjourns sine die, determines whether or not a sequester is required. This report, which covers legislation enacted in the first session of the 106th Congress, indicates that no sequester is required for either mandatory or discretionary programs. As required by the Consolidated Appropriations Act, the pay-as-you-go balances for all years were reset to zero on January 3, 2000.

II. DISCRETIONARY SEQUESTRATION REPORT

Discretionary programs are funded annually through the appropriations process. The scorekeeping guidelines accompanying the Budget Enforcement Act of 1990 (BEA), as amended by the Omnibus Budget and Reconciliation Act of 1993 (OBRA) and the Budget Enforcement Act of 1997, identify accounts with discretionary resources. The Balanced Budget Act of 1997 (BBA) limited budget authority and outlays available for discretionary programs each year through 2002. For fiscal years 1998 and 1999, the BBA of 1997 established three separate categories of discretionary spending: defense, non-defense (excluding violent crime reduction spending), and violent crime reduction spending. For fiscal year 2000, the law divided discretionary spending into two categories: violent crime reduction spending and all other discretionary spending. For fiscal years 2001 and 2002, a single category for all discretionary spending was established. The Transportation Act for the 21st Century (TEA-21), which was enacted in June 1998. modified these categories by establishing two additional categories for highway and mass transit outlays for fiscal years 1999 through

OMB monitors compliance with the discretionary spending limits throughout the fiscal year. Appropriations that cause a breach in the budget authority or outlay limits trigger a sequester to eliminate that breach. The law, however, does not require that

Congress appropriate the full amount available under the discretionary limits.

The discretionary spending limits established in the various amendments to the BEA have worked in an environment obudget deficits to constrain the growth of discretionary spending. These limits were extended in the BBA and were based on an overall budget architecture that was intended to achieve balance by fiscal year 2002. The original BBA discretionary limit for fiscal year 2002 is \$3.5 billion less than the limit set for fiscal year 2000.

In fiscal year 1998, discretionary appropriations were enacted that complied with the limits set in law. Using the scoring rules required by the BEA, both OMB and CBO estimated that fiscal year 1999 appropriations complied with the statutory limits, although spending was expanded beyond the limits through several means. In particular, the emergency designation, which exempts spending from the spending limits, was used to fund roughly \$15.5 billion of fiscal year 1999 discretionary spending. In addition, reductions to mandatory programs and expanded use of advance appropriations were relied on to expand program levels and to fit fiscal year 1999 discretionary spending within the statutory limit. This trend continued in fiscal year 2000. Table 1 highlights the trend in the use of these mechanisms that expand discretionary spending between fiscal years 1998 and 2001.

Table 1. DISCRETIONARY SPENDING LEVELS

| | 1998 | 1999 | 2000 | 2001 |
|---------------------------------------|--------------|---------|---------|---------------|
| Original Balanced Budget Act Limits | | | | |
| BA | 526,857 | 532,999 | 537,193 | 542,032 |
| OL | 553,268 | 559,321 | 564,265 | 564,396 |
| Year-to-year percentage change: | | | | |
| BA | | 1.2% | 0.8% | 0.99 |
| OL | ********** | 1.1% | 0.9% | 0.09 |
| Spending Funded by Alternative Mecha- | | | | |
| nisme | | | | |
| BA | 2.981 | 26,424 | 49.290 | ************* |
| OL | 1,017 | 13,483 | 29,750 | *********** |
| Discretionary Program Levels: | · · | | | |
| BA | 529.838 | 559,423 | 586,483 | 542,032 |
| OL | 554,285 | 572,804 | 594,015 | 564,396 |
| Year-to-year percentage change: | | | | |
| BA | | 5.6% | 4.8% | -7.69 |
| OL | ************ | 3.3% | 3.7% | -5.09 |

The enacted BBA outlay limit for fiscal year 2000 allowed only 0.9 percent growth in discretionary outlays over the original limit for fiscal year 1999. The fiscal year 2000 appropriations included \$23.7 billion in emergency designations, additional advance appropriations, and several obligation delays. As can be seen in Table 2 of this section, the official scoring of fiscal year 2000 appropriations was \$537 billion in budget authority and \$569 billion in outlays. Adding spending supported by the financing mechanisms listed below, discretionary budget authority will be closer to \$586 billion and discretionary

outlays will be about \$599 billion for FY 2000, differences of \$49 billion (9 percent) and nearly \$30 billion (5 percent), respectively, greater than what was recorded under BEA scoring.

Table 2 shows the difference between the BEA scoring of fiscal year 2000 appropriations and the program level provided by designating funding as emergencies, expanding programs with advance appropriations, and offsetting spending with mandatory savings, rescissions, and obligation delays. Table 3 summarizes changes to the caps since 1990.

Table 2. FY 2000 DISCRETIONARY SPENDING SUMMARY

| | 200 | 0 |
|--|---------|---------|
| | BA | Outleys |
| OMB Scoring of FY 2000 Appropriations Action, Excluding Emergency Spending | 586,773 | 568,791 |
| Spending Designated as Emergency: | | |
| Decennial Census | 4.476 | 3,790 |
| DoD Military Operations and Maintenance Costs | 7,200 | 5,345 |
| DoD Military Pay Raise | 1,838 | 1.794 |
| Farm Service Agency | 229 | 157 |
| Head Start | 1.700 | 861 |
| Low Income Home Energy Assistance | 1.100 | 814 |
| Natural Resources Conservation Service/Rural Housing Service | 105 | 39 |

Table 2. FY 2000 DISCRETIONARY SPENDING SUMMARY—Continued

| · | 200 | 00 |
|---|--|---------|
| | BA | Outlays |
| Public Health and Social Services Emergency Fund | 584 | 30 |
| Student Financial Assistance | 10 | |
| Rural Development | 2 | |
| Refugee and Entrant Assistance | 427 | 12 |
| Wye River Memorandum | 1,825 | 31 |
| United Mine Workers Consolidated Benefit Fund | 68 | 6 |
| Unreleased Contingent Emergency Spending in FY 2000 Consoli- | | U |
| dated Bill | 2,870 | |
| Releases of Emergency Spending Provided in Past Appropriations Bills | 1,268 | 72 |
| Subtotal, Spending Designated as Emergency | 23,702 | 14,33 |
| ending Offset by Mandatory Savings: | | |
| Federal Reserve Balance Transfer | 3,752 | 3,75 |
| Acceleration of Spectrum Auction Receipts | 2,600 | 2,60 |
| Delay of Crime Victims Fund Spending | 525 | 52 |
| National Database of New Hires | 878 | 876 |
| SSBG | 605 | 92 |
| Cooperative State Research Education and Extension Activities | 120 | 1: |
| Fund for Rural America | 60 | 3 |
| Wetlands Reserve | 46 | 18 |
| Environmental Quality Incentive Program | 26 | - |
| Conservation Farm Option | 38 | |
| Food Stamp Program | 11 | 1 |
| Child Nutrition | 57 | 58 |
| Subtotal, Spending Offset by Mandatory Savings | 8,718 | 8,820 |
| | 0,120 | 5,520 |
| | | |
| | | |
| propriations: | 195 | |
| propriations: Reading Excellence | 195 1,530 | |
| propriations: Reading Excellence School Improvement Programs | | |
| propriations: Reading Excellence School Improvement Programs Vocational and Adult Education | 1,530 | |
| propriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education | 1,530 791 3,742 | |
| propriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families | 1,530 791 3,742 1,400 | |
| propriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund | 1,530 791 3,742 1,400 4,200 | |
| propriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services | 1,530 791 3,742 1,400 | |
| propriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 | 1,530 791 3,742 1,400 4,200 2,463 | |
| propriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service | 1,530 791 3,742 1,400 4,200 2,463 | |
| propriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations | 1,530 791 3,742 1,400 4,200 2,463 64 | |
| propriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations Dending Offset by Rescissions: Assisted Housing | 1,530 791 3,742 1,400 4,200 2,463 64 | |
| propriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations Dending Offset by Rescissions: Assisted Housing | 1,530 791 3,742 1,400 4,200 2,463 64 | |
| propriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations sending Offset by Rescissions: Assisted Housing Army Corps of Engineers General Investigations | 1,530 791 3,742 1,400 4,200 2,463 64 14,385 | |
| propriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations Deending Offset by Rescissions: Assisted Housing Army Corps of Engineers General Investigations Army Corps of Engineers Construction General Broadcasting Board of Governors International Broadcasting Op- | 1,530 791 3,742 1,400 4,200 2,463 64 14,385 2,319 1 | |
| propriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations sending Offset by Rescissions: Assisted Housing Army Corps of Engineers General Investigations Army Corps of Engineers Construction General Broadcasting Board of Governors International Broadcasting Operations | 1,530 791 3,742 1,400 4,200 2,463 64 14,385 2,319 | |
| propriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations Dending Offset by Rescissions: Assisted Housing Army Corps of Engineers General Investigations Army Corps of Engineers Construction General Broadcasting Board of Governors International Broadcasting Operations Corporation for National and Community Service | 1,530 791 3,742 1,400 4,200 2,463 64 14,385 2,319 1 | 12 |
| Advance Appropriations per advance Appropriations pending Offset by Rescissions: Assisted Housing Army Corps of Engineers General Investigations Army Corps of Engineers Construction General Broadcasting Board of Governors International Broadcasting Operations Corporation for National and Community Service Drug Enforcement Administration Diversion Control Fee Account | 1,530 791 3,742 1,400 4,200 2,463 64 14,385 2,319 1 13 | 12 |
| propriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations pending Offset by Rescissions: Assisted Housing Army Corps of Engineers General Investigations Army Corps of Engineers Construction General Broadcasting Board of Governors International Broadcasting Operations Corporation for National and Community Service | 1,530 791 3,742 1,400 4,200 2,463 64 14,385 2,319 1 13 | 12 |
| propriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations pending Offset by Rescissions: Assisted Housing Army Corps of Engineers General Investigations Army Corps of Engineers Construction General Broadcasting Board of Governors International Broadcasting Operations Corporation for National and Community Service Drug Enforcement Administration Diversion Control Fee Account | 1,530 791 3,742 1,400 4,200 2,463 64 14,385 2,319 1 13 | |

Table 2. FY 2000 DISCRETIONARY SPENDING SUMMARY—Continued

| Nuclear Waste Disposal 4 Subtotal, Spending Offset by Rescissions 2,485 pending Offset by Timing Shifts and Obligation Delays: Pay Delay | 5 |
|---|--------|
| Nuclear Waste Disposal 4 Subtotal, Spending Offset by Rescissions 2,485 pending Offset by Timing Shifts and Obligation Delays: Pay Delay | |
| Subtotal, Spending Offset by Rescissions | 5 |
| pending Offset by Timing Shifts and Obligation Delays: Pay Delay | |
| Pay Delay | |
| | |
| | 3,58 |
| Defense Progress Payments | 1,25 |
| National Institutes of Health | 90 |
| Health Research and Services Administration | 17 |
| *************************************** | 17 |
| Centers for Disease Control | |
| Administration for Children and Families | 21 |
| Social Services Block Grant | 14 |
| Substance Abuse & Mental Health Services Administration | 9 |
| Subtotal, Adjustments 49,290 | 29,75 |
| 2000 Program Level | 598,54 |

7

Table 3. HISTORICAL SUMMARY OF CHANGES TO DISCRETIONARY SPENDING LIMITS (In billions of dollars)

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|-----------------|----------------|---|---------------------------------------|----------------|--------------------------|---|------------------------------|------------|--|----------------------|
| TOTAL DISCRETIONARY Statutory Caps as set in OBRA 1990 and OBRA | i | | 5115 | 8.0 | 517.7 | 1619 | K28.1 | 530.6 | ž | Ą. | Ž | \$2 |
| | OL 614.4 | | 534.0 | 8. 4. 8. 8. 5. 5. | 540.8 | 547.3 | 547.3 | 547.9 | A'N | Y X | X X | X X |
| | DE N | 0.00 | 44.4 | 2.0 2.0 2.0 5.0 6.0 6.0 7.0 8.0 8.0 8.0 8.0 8.0 8.0 8.0 8.0 8.0 8 | 0.5.1 8.85 8.86 | 80° | 999 | \$00 800 800 800 800 800 800 800 800 800 | ZZZ ZZZ | ZZZ ZYZ | ZZZ | ŽŽŽ |
| Adjustments for credit reestimates, IRS funding, debt forgiveness, IMF, and CDRs | | | 13.0 | 9.0 | 7.00 | 175 | 000 | | V. | N'A | V.X | ×2 |
| Adjustments for emergency requirements | 00 C C C C C C C C C C C C C C C C C C | | A.10 6.4 | 808 | 10.1 | 50000 | 94.0 | 1.7 | ZZZZ | NNN | NNN SARA | SSSS: |
| Adjustments for special allowances. Discretionary new budget authority Outlay allowance | BA CE | 3.5 | 22.2 | 2.6 | 2.9 | 7 | 0.5 | 0.1 | Y Y Y Y | Z XXXX | Z ZZZZ | ž žžžž |
| ding Desert | | | 23.6 | 14.3 | 6.8 | 7.5 | 0.40 | 3.1 | Y X | N/A A/A | V V | žž. |
| Adjustments for Operation Desert Shield/Desert Storm | BA 44.2 OL 33.3 | 14.0 | 9.6 | . 8 | • = | | | | N/A N/A | N/A A/A | N/N N/A | N/A N/A |
| Total adjustments | BA 45.4 OL 37.2 | 33.2 | 24.2 | 14.3 12.8 | 7.8 | 7.5 | 3.7 | 3.1 | A'X | N/A A/A | NN NN NN NN NN NN NN NN NN NN NN NN NN | NAN |
| | BA 537.1 OL 551.6 | 536.6 545.7 | 535.7 550.4 | 525.1 547.6 | 511.0 548.6 | 526.7 552.7 | 532.0 551.0 | 533.8 | N/A N/A | N/A N/A | N/A N/A | N'N N'A |
| motuded in the 1997 Sipartisan Budget Agree. Ment | BA N/A | N/N N/A | N'A N'A | XX XX | N/A N/A | N/A N/A | N/A N/A | 6.6 6.9 | N/A N/A | N/A N/A | N'N N'A | NN NN NN NN |
| | BA N/A OL N/A | N'A N'A | N/A N/A | N/A N/A | X/X X/A | N'N N'N | N'A N'A | 526.9 | 533.0 | 537.2 | 542.0 564.4 | 551.1 560.8 |
| y requirements | BA OL NA OL NA OL NA OL NA OL NA | YAYAY XXXXXX | ZZZZZZ | KKKKKK KKKKKK KKKKKK KKKKKK KKKKK KKKKK KKKK | Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y | ZZZZZZ | N/A N/A 7.7 2.7 | 5.7 | 25.0 19.9 19.9 19.9 | 3158 | 9.0 | 8 70 8 |
| | | | | | | 4 | | 9 | 7.7 | r. | 0.0 | 7.0 |

Table 3. HISTORICAL SUMMARY OF CHANGES TO DISCRETIONARY SPENDING LIMITS—Continued (In billions of dollars)

| | | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|----------|----------------|----------------|----------------|----------------|------------------|----------------|-------|----------|----------------|----------------|----------|-------|
| Adjustments for special allowances: | Ψ | 4/2 | V.V. | 470 | MA | 2 | | ; | , |] | : | , | |
| Outlay adjustment | S S S | Z Z | N N | Z Z Z | ŠŽŽ | K K K | K K K | N/A | N/A | NA | T | NA NA | N/A |
| TEA-21 Adjustment (Net) ** | NA BA | ŠŠ | N N N | X X | XX XX | N N N N | Z Z | Ν | 12 NA | 60 | 800 | 6.0- | 6.0- |
| • | 릵 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | | 1.1 | | 4.8 | 5.4 |
| Final Sequestration Report spending limits ³ | GA OF | 537.1 551.6 | 536.6 545.7 | 535.7 550.4 | 525.1 547.6 | 511.0 548.6 | 526.7 552.7 | 539.7 | 533.5 | 583.2 584.2 | 568.1 599.9 | 541.3 | 550.4 |
| | | | | | İ | | | | | | | | |

* Less than \$50 million.
** Set Solution of PL. 198. the Transportation Equity Act for the 21st Century (TEA-21), which was signed by the President on June 6, 1998, established two new discretionary spending categories. Highway and Mass Transit. Set. 810(1b) of TEA-21 provided for an offsetting adjustment in the existing discretionary spending limits.
1P. 1. 10-14. Emergency Supplementary Appropriations for Additional Disaster Assistance, for Assistance in the Recovery from the Transportation of State of Parts of State o

Adjustments to discretionary limits.— Section 251(b)(2) authorizes certain adjustments after the enactment of appropriations. Table 4 includes those adjustments that can be made now due to legislation enacted to date. The section 251(b)(2) adjustments include:

 Emergency Appropriations.—Funding for amounts that the President designates as "emergency requirements" and that Congress so designates in law. Fiscal year 2000 appropriations acts included over \$31 billion in emergency funding, including over \$9 billion for emergency assistance to farmers and \$1.8 billion in advance appropriations for the 2000 military pay raise. As of January 19th, the President has authorized the release of \$28.6 billion of this funding, which was provided for the 2000 decennial census, operations and maintenance activities of the Department of Defense, the fiscal year 2000 military pay raise, agricultural disasters within the United States, Head Start, the Low-income Home Energy Assistance program, the implementation of the Wye River peace accord, and other activities.

Further, since the August Update Report, the President has also authorized the release of \$1.3 billion in emergency appropriations that were previously enacted to support the Administration's efforts in addressing the year-2000 computer conversion problem, natural disasters, the fiscal year 2000 military pay raise, operations and maintenance activities of the Department of Defense, and to support the needs of States that have experienced extremely hot weather conditions.

Table 4. FINAL SEQUESTRATION REPORT ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS

| | | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|-----|----------|---------|---------|---------|------|
| NON-DEFENSE DISCRETIONARY SPENDING, EXCLU | ING | VIOLENT | CRIME R | EDUCTIO | ON SPEN | DING |
| Update Report Non-Defense Discretionary Spending Limits | ВА | 256,148 | 289.735 | N/A | N/A | N/A |
| Zillitta | OL | 286,325 | 276.815 | N/A | N/A | N/A |
| Adjustments for the Final Sequestration Report: | O.D | 200,020 | 210,010 | 1044 | | |
| Contingent Emergency Appropriations Released | BA | | 827 | N/A | N/A | N/A |
| Contaigent Differgency Appropriations necessed | OL | | 282 | N/A | N/A | N/A |
| | | | | | | |
| Subtotal, Adjustments for the Final Sequestration | | | | | | |
| Report | BA | | 827 | N/A | N/A | N/A |
| • | or | | 282 | N/A | N/A | N/A |
| Final Sequestration Report Spending Limits | BA | 256,148 | 290,562 | N/A | N/A | N/A |
| | OL | 286,325 | 277,097 | N/A | N/A | N/A |
| DEFENSE DISCRETION | ARY | SPENDING | 3 | | | |
| Update Report Defense Discretionary Spending Limits | BA | 271,832 | 286,578 | N/A | N/A | N/A |
| | OL | 269,079 | 275,732 | N/A | N/A | N/A |
| Adjustments for the Final Sequestration Report: | | | | | | |
| Contingent Emergency Appropriations Released | BA | | 272 | N/A | N/A | N/A |
| | OL | | | N/A | N/A | N/A |
| Subtotal, Adjustments for the Final Sequestration | | | | | | |
| Report | BA | | 272 | N/A | N/A | N/A |
| | OL | | | N/A | N/A | N/A |
| Final Sequestration Report Spending Limits | BA | 271,832 | 286,850 | N/A | N/A | N/A |
| | OL | 269,079 | 275,732 | N/A | N/A | N/A |

Table 4. FINAL SEQUESTRATION REPORT ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS—Continued (In millions of dollars)

| | | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|--|--|--|---|-----------------------------|---------|
| VIOLENT CRIME REDUC | TYON | SPENDIN | G | | | |
| | | | 5,800 | 4,500 | N/A | N/A |
| Update Report Violent Crime Reduction Spending Limits | BA OL | 5,500 4,833 | 4,953 | 5,554 | N/A | N/A |
| Adjustments for the Final Sequestration Report: | OL | 4,000 | 4,000 | 0,004 | 1011 | 1472 |
| Special Outlay Allowance | BA | | | | N/A | N/A |
| Special Outray Anovance | OL | | | 790 | N/A | N/A |
| | | | | | | |
| Subtotal, Adjustments for the Final Sequestration Report | BA | | | | N/A | N/A |
| керогі | OL | | | 790 | N/A | N/A |
| | _ | | | | | |
| Final Sequestration Report Spending Limits | BA | 5,500 | 5,800 | 4,500 | N/A | N/A |
| | OL | 4,833 | 4,953 | 6,344 | N/A | N/A |
| HIGHWAY CAT | EGOR | Υ | | | | |
| Update Report Highway Category Spending Limits | BA | N/A. | | | | |
| | OL | N/A | 21,991 | 24,574 | 26,219 | 26,663 |
| Adjustments for the Final Sequestration Report: | | | | | | |
| No Adjustments | BA | | | | | |
| 77 10 4 1 70 4 4 Complete The late | OL BA | | | | | |
| Final Sequestration Report Spending Limits | OL | N/A | 21,991 | 24,574 | 26.219 | 26,663 |
| | | | | 21,011 | | |
| MASS TRANSIT C. | ATEG | ORY | | | | |
| Update Report Mass Transit Category Spending Limits | BA | | | | | |
| | or | N/A | 4,401 | 4,117 | 4,888 | 5,384 |
| Adjustments for the Final Sequestration Report: | | **** | | | | |
| No adjustments | BA | | | | | |
| D' 10 - 1 C | OL BA | | | | | |
| Final Sequestration Report Spending Limits | OL | N/A | 4,401 | 4,117 | 4,888 | 5,384 |
| OTHER DISCRETIONA | RY SI | PENDING | | | | |
| Update Report Other Discretionary Spending Limits | ВА | N/A | N/A | 531,771 | 541,324 | 550.382 |
| Update Report Other Discretionary Spending Limits | OL | N/A | N/A | | 541,835 | |
| Adjustments for the Final Sequestration Report: | OL. | 14/21 | 24/24 | 012,011 | 011,000 | 000,100 |
| Emergency Appropriations Enacted and Released | BA | N/A | N/A | 29,772 . | | |
| | | N/A | N/A | 22,777 | 5,218 | 1,519 |
| | OL | | | | | |
| EITC Tax Compliance Initiative | OL BA | N/A | N/A | 144 . | | |
| EITC Tax Compliance Initiative | | | N/A N/A | | | |
| • | BA | N/A | | 144 . | | |
| EITC Tax Compliance Initiative | BA OL | N/A N/A | N/A | 144 . | | |
| · | BA OL BA | N/A N/A N/A | N/A N/A | 144 . 405 . 373 | 32 . | |
| Continuing Disability Reviews (CDRs) | BA OL BA OL | N/A N/A N/A N/A | N/A N/A N/A N/A | 144 . 405 . 373 | 32 . | |
| Continuing Disability Reviews (CDRs) | BA OL BA OL BA | N/A N/A N/A N/A N/A | N/A N/A N/A N/A | 144 . 405 . 373 75 . | 32 . | |
| Continuing Disability Reviews (CDRs) | BA OL BA OL BA OL | N/A N/A N/A N/A N/A N/A | N/A N/A N/A N/A N/A | 144 405 373 75 | 32 . 75 . 351 . | |
| Continuing Disability Reviews (CDRs) | BA OL BA OL BA OL BA | N/A N/A N/A N/A N/A N/A N/A | N/A N/A N/A N/A N/A N/A N/A N/A | 144 . 405 . 373 . 75 . 351 . | 32 . 75 . 351 . | |
| Continuing Disability Reviews (CDRs) | BA OL BA OL BA OL BA OL BA | N/A N/A N/A N/A N/A N/A N/A N/A N/A | N/A N/A N/A N/A N/A N/A N/A N/A | 144 . 405 . 373 . 75 . 351 . | 32 . 75 . 351 . | 7 |
| Continuing Disability Reviews (CDRs) | BA OL BA OL BA OL BA OL BA | N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A | N/A N/A N/A N/A N/A N/A N/A N/A N/A | 144 405 373 75 351 20 20 2 1,065 . | 32 . 75 . 351 . | 7 |
| Continuing Disability Reviews (CDRs) MDB Arrearage Payments (Foreign Operations bill) UN Arrearage Payments (Commerce/Justice/State bill) Adoption Incentive Payments | BA OL BA OL BA OL BA OL BA | N/A N/A N/A N/A N/A N/A N/A N/A N/A | N/A N/A N/A N/A N/A N/A N/A N/A N/A | 144 405 373 75 351 20 20 2 1,065 . | 32 . 75 . 351 . | 7 |
| Continuing Disability Reviews (CDRs) | BA OL BA OL BA OL BA OL BA OL | N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A | N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A | 144 . 405 . 373 . 75 | 32 . 75 . 351 . 11 | 7 |
| Continuing Disability Reviews (CDRs) | BA OL BA OL BA OL BA OL BA OL | N/A | N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A | 144 405 373 75 375 351 20 2 1,065 31,832 31,832 | 32 . 75 . 351 . 11 | 7 |
| Continuing Disability Reviews (CDRs) | BA OL BA OL BA OL BA OL BA OL | N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A | N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A | 144 . 405 . 373 . 75 | 32 . 75 . 351 . 11 | 7 |
| Continuing Disability Reviews (CDRs) | BA OL BA OL BA OL BA OL BA OL | N/A | N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A | 144 405 373 75 375 351 20 2 1,065 31,832 31,832 | 32 . 75 . 351 . 11 | 7 |

Table 4. FINAL SEQUESTRATION REPORT ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS—Continued

(In millions of dollars)

| | | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|-------|---------|---------|---------|---------|---------|
| TOTAL DISCRETIONA | RY SI | ENDING | | | | |
| Preview Report Total Discretionary Spending Limits | BA | 533,480 | 566,380 | 536,271 | 541,324 | 550,382 |
| | OL | 560,237 | 576,089 | 570,945 | 571,047 | 567,800 |
| Update Report Total Discretionary Spending Limits | BA | 533,480 | 582,113 | 536,271 | 541,324 | 550,382 |
| | OL | 560,237 | 583,892 | 575,819 | 572,942 | 567,800 |
| Final Sequestration Report Spending Limits | BA | 533,480 | 583,212 | 568,102 | 541,324 | 550,382 |
| | OL | 560,237 | 584,174 | 599,905 | 578,629 | 569,326 |

- Continuing Disability Reviews.—Funding
 for additional continuing disability reviews
 (CDRs) under the heading, "Limitation on
 Administrative Expenses," for the Social
 Security Administration. The law limits
 adjustments to the budget authority and
 outlay estimates authorized in P.L.
 105-33, the Balanced Budget Act of 1997.
 CDRs are conducted to verify that recipients of Social Security disability insurance
 benefits and Supplemental Security Income benefits for persons with disabilities
 are still disabled. The fiscal year 2000
 Labor, Health and Human Services, Education, and Related Agencies Appropriations Act provided \$405 million for CDRs.
- Allowance for International Arrearages funding.—Funding for arrearages for international organizations, international peacekeeping, and multilateral development banks. The amount of the cap adjustment is limited to \$1.884 billion for fiscal years 1998 through 2000 in P.L. 105-33. A total of \$426 million was provided for international arrearage payments in fiscal year 2000 appropriations bills, bringing the total adjustments made for arrearage payments to the authorized limit of \$1.884 billion.
- Earned Income Tax Credit (EITC) Compliance Initiative.—Funding for EITC compliance initiatives, including the detection and enforcement of EITC eligibility rules in order to reduce EITC overclaims. Adjustments are limited to the budget authority and outlay estimates authorized in P.L. 105-33. The fiscal year 2000 Treasury

- and General Government Appropriations
 Act provided \$144 for EITC compliance.
- Adoption Incentive Payments.—The Adoption and Safe Families Act of 1997 authorizes bonus payments to States that increase the number of adoptions from the foster care system. The Act provides for a discretionary cap adjustment for appropriations up to \$20 million annually in fiscal years 1999 through 2003. It is assumed that the cost of adoption bonuses will be offset by reductions in mandatory foster care costs. The \$20 million requested was included in the fiscal year 2000 Labor, Health and Human Services, Education, and Related Agencies Appropriations Act.
- Special Outlay Allowance.—This allowance was included in the BEA to cover technical scoring differences that result when OMB scoring exceeds CBO scoring. If, in any year, outlays for a discretionary spending category exceed the spending limit for the category, but new budget authority does not exceed the limit for that category, the special outlay allowance may be used. The outlay adjustment is the amount of the excess spending over the limit. The adjustment can not exceed 0.5 percent of the sum of the adjusted discretionary spending limits on outlays for that fiscal year.

OMB's final estimate of fiscal year 2000 crime category spending indicates that a special outlay allowance adjustment of \$790 million is required to cover the outlay breach in this category.

• Adjustment for Rounding.—Public law 106-113, the FY 2000 Consolidated Appropriations Act, included a provision requiring OMB to adjust the FY 2000 limit on budget authority for the discretionary category upward by 0.2 percent, resulting in an increase of \$1.1 billion.

Status of FY 1999 discretionary appropriations.—Table 5 summarizes the status of enacted fiscal year 1999 discretionary appropriations, relative to the discretionary caps. Enacted budget authority and outlays are within the discretionary caps.

Table 5. STATUS OF FY 1999 DISCRETIONARY APPROPRIATIONS

(In millions of dollars)

| | BA | Outlays |
|--|--------------------|--------------------|
| Non-Defense Discretionary Spending, Excluding Vi Spending | olent Crime l | Reduction |
| Adjusted discretionary spending limits Total enacted | 290,562 290,125 | 277,09° 275,240 |
| Spending over/under (-) limits | -437 | -1,85 |
| Defense Discretionary Spendin | g | |
| Adjusted discretionary spending limits | 286,850 286,844 | 275,732 274,475 |
| Spending over/under (-) limits | 6 | -1,257 |
| Violent Crime Reduction Spendi | ing | |
| Adjusted discretionary spending limits | 5,800 5,797 | 4,953 4,946 |
| Spending over/under (-) limits | -3 | 7 |
| Highway Category | | |
| Adjusted discretionary spending limits | | 21,991 21,568 |
| Spending over/under () limits | | -423 |
| Mass Transit Category | | 7,000 |
| Adjusted discretionary spending limits | | 4,401 3,942 |
| Spending over/under (–) limits | | -459 |
| Total Discretionary Spending All Cat | egories | |
| Adjusted discretionary spending limits | 583,212 582,766 | 584,174 580,177 |
| Spending over/under (-) limits | -446 | -3,997 |

Status of FY 2000 discretionary appropriations.—Table 6 summarizes OMB scoring of the fiscal year 2000 appropriations bills.

OMB estimates that spending in the highway, mass transit, and other discretionary categories are within the budget authority and outlay limits set in the BBA. Spending in the violent crime reduction category is within the budget authority limit but exceeds the outlay limit by \$790 million. As a result, OMB will use the special outlay allowance

provided under section 251(b)(2) to adjust the limit to cover the breach. With this adjustment, OMB estimates that a sequester will not be required for any of the discretionary categories.

Table 6. STATUS OF 2000 APPROPRIATIONS ACTION

| | BA | Outlays | |
|---|---------|---------|---|
| OTHER DISCRETIONARY | | | |
| Agriculture and Rural Development | 13,982 | 14,387 | |
| Commerce, Justice, State and the Judiciary | 29,427 | 27,306 | 1 |
| Defense | 257,669 | 246,485 | |
| District of Columbia | 436 | 382 | |
| Energy and Water Development | 21,221 | 21,166 | |
| Foreign Operations | 13,539 | 12,226 | 2 |
| Interior and Related Agencies | 14,800 | 14,951 | |
| Labor, HHS, and Education | 81,795 | 84,256 | 3 |
| Legislative | 2,455 | 2,566 | |
| Military Construction | 8,373 | 8,626 | |
| Transportation and Related Agencies | 12,481 | 14,546 | |
| Treasury and General Government | 13,566 | 13,954 | 4 |
| Veterans Affairs, HUD, Independent Agencies | 69,356 | 82,370 | |
| Miscellaneous Provisions | -6,827 | -9,465 | |
| Emergency Appropriations Enacted/Released Since February Budget | 29,772 | 27,651 | |
| Total, Other Discretionary | 562,045 | 561.407 | |
| Final Sequestration Report Other Discretionary Limits | 563,602 | 564,870 | |
| CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS | -1,558 | -3,463 | |
| VIOLENT CRIME REDUCTION | ON | | |
| Commerce, Justice, State and the Judiciary | 4,216 | 6,044 | |
| Labor, HHS, and Education | 152 | 172 | |
| Treasury, Postal Service, and General Gov't | 132 | 128 | |
| Total, Violent Crime Reduction | 4,500 | 6,344 | |
| Final Sequestration Report Violent Crime Reduction Limits | 4,500 | 6,344 | _ |
| CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS | | | |
| HIGHWAY CATEGORY | | | |
| Transportation and Related Agencies | | 24,574 | |
| Total, Highway Category | | 24,574 | |
| Final Sequestration Report Highway Category Limits | | 24,574 | |
| CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS | | | _ |

Table 6. STATUS OF 2000 APPROPRIATIONS ACTION—Continued

| (In millions of dollars) | | |
|---|------------|---|
| | BA | Outlays |
| mass transit categor | Y | |
| Transportation and Related Agencies | .,, | 4,117 |
| Total, Mass Transit Category | | 4,117 |
| Final Sequestration Report Mass Transit Category Limits | ********** | 4,117 |
| CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS | | *************************************** |
| TOTAL DISCRETIONARY SPENDING ALI | . CATEGOR | IES |
| Total, Enacted Discretionary Spending | 566,545 | 596,442 |
| Final Sequestration Report Discretionary Limits | 568,102 | 599,905 |
| CONGRESSIONAL ACTION OVER/UNDER() LIMITS | -1,558 | -3,463 |

Comparison of OMB and CBO discretionary limits.—Section 254(d)(5) of the BEA requires this report to explain the differences between OMB and CBO estimates for discretionary spending limits. Table 7 compares OMB and CBO limits for fiscal years 1998 through 2002. CBO uses the discretionary limthrough 2002. CBO uses the discretionary limits from OMB's sequestration update report as a starting point for adjustments in its endof-session sequestration report. Therefore, the differences between the OMB and CBO estimates reflect \$272 million in contingent emergency funds for the military construction transfer fund that were released by the President on September 21, 1999, and \$827 million in contingent emergency appropriations for natural disasters, wildland firefighting, and for the year-2000 computer conversion problem that were released by the President subsequent to the issue of the August Update Re-

NOTES:

1 Estimates include \$351 million in BA for the funding provided for international arrearage payments.

2 Estimates include \$75 million in BA for funding provided for international arrearage payments.

3 Estimates include \$468 million in BA and \$737 million in outlays provided for funding for Continuing Dashbitty Reviews (CDRe), and \$20 million in BA and \$2 million in outlays for adoption incentive payments.

4 Estimates include \$144 million in BA and outlays for the Earned Income Tax Credit Initiative (EITC).

Table 7. COMPARISON OF OMB AND CBO DISCRETIONARY SPENDING LIMITS
(In millions of dollars)

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|--------------------------------------|----------------------------------|-------------------------|----------------|
| Non-Defen | se Discr | etionar | V | | |
| CBO Final Sequestration Report limits: | | · | , | | |
| BA | 256,048 | 289,735 | N/A | N/A | N/ |
| OL | 286,265 | 276,814 | N/A | N/A | N/ |
| OMB Final Sequestration Report limits: | 200,200 | 210,021 | | .,,., | • • • • |
| BA | 256,148 | 290,562 | N/A | N/A | N/ |
| | | | N/A | N/A | N/ |
| OL | 286,325 | 277,097 | 14/15 | IWA | 24/ |
| Difference: | | 200 | **** | 37/4 | 27 |
| BA | 100 | 827 | N/A | N/A | N/ |
| OL | 60 | 283 | N/A | N/A | N/ |
| Defense | Discreti | onary | | | |
| CBO Final Sequestration Report limits: | | | | | |
| BA | 271,832 | 286,578 | N/A | N/A | N/ |
| OL | 269,079 | 275,732 | N/A | N/A | N/. |
| OMB Final Sequestration Report limits: | | | | | |
| BA | 271,832 | 286,850 | N/A | N/A | N/. |
| OL | 269,079 | 275,732 | N/A | N/A | N/ |
| Difference: | | | | | |
| BA | | 272 | N/A | N/A | N/ |
| OL | | ********* | N/A | N/A | N/. |
| BA | 5,500 | 5,800 | 4,500 | N/A | N/ |
| OL | 4,833 | 4,953 | 5,554 | N/A | N/. |
| OMB Final Sequestration Report limits: | | | | | |
| BA | 5,500 | 5,800 | 4,500 | N/A | N/ |
| OL | 4,833 | 4,953 | 6,344 | N/A | N/ |
| Difference: | | | | N/A | |
| BA | ************* | *********** | | | |
| | | | | | |
| OL | | | 790 | N/A N/A | |
| OL | ay Cate | | | | |
| OL Highw CBO Final Sequestration Report limits: | ay Cate | | | | N/A |
| OL Highw CBO Final Sequestration Report limits: BA | ay Cate | gory | 790 | N/A | N/ |
| OL Highw CBO Final Sequestration Report limits: BA | ay Cate | gory | 790 | | N/ |
| OL Highw CBO Final Sequestration Report limits: BA | ay Cate | gory | 790 | N/A | N/ |
| OL Highw CBO Final Sequestration Report limits: BA | ay Cate | gory 21,991 | 790 24,574 | N/A 26,219 | 26,66 |
| OL Highw CBO Final Sequestration Report limits: BA OL OMB Final Sequestration Report limits: BA OL OL | ay Cate | gory 21,991 | 790 24,574 | N/A 26,219 | 26,66 |
| OL Highw CBO Final Sequestration Report limits: BA OL OMB Final Sequestration Report limits: BA | ay Cate | gory 21,991 | 790 24,574 | N/A 26,219 | 26,66 |
| OL Highw CBO Final Sequestration Report limits: BA OL OMB Final Sequestration Report limits: BA OL OL | ay Cate | gory 21,991 | 790 24,574 | N/A 26,219 | N/ |
| OL Highw CBO Final Sequestration Report limits: BA | ay Cate N/A N/A N/A N/A | 21,991 21,991 | 24.574 24,574 | N/A 26,219 | 26,66 |
| OL Highw CBO Final Sequestration Report limits: BA OL OMB Final Sequestration Report limits: BA OL OL Difference: BA | ay Cate N/A N/A N/A N/A | 21,991 21,991 | 790 24.574 24,574 | N/A 26,219 26,219 | 26,66 |
| OL Highw CBO Final Sequestration Report limits: BA OL OMB Final Sequestration Report limits: BA OL Difference: BA BA | ay Cate | 21,991 21,991 | 790 24.574 24,574 | N/A 26,219 26,219 | 26,66 |
| OL Highw CBO Final Sequestration Report limits: BA OL OMB Final Sequestration Report limits: BA OL Difference: BA OL Mass Tra CBO Final Sequestration Report limits: | ay Cate | 21,991 21,991 | 790 24.574 24,574 | N/A 26,219 26,219 | 26,66 |
| OL Highw CBO Final Sequestration Report limits: BA. OI. OMB Final Sequestration Report limits: BA. OL Difference: BA. OL Mass Tra CBO Final Sequestration Report limits: | ay Cate | 21,991 21,991 21,991 | 790 24,574 24,574 | N/A 26.219 26.219 | 26.66 26.66 |
| OL Highw CBO Final Sequestration Report limits: BA OL OMB Final Sequestration Report limits: BA OL Difference: BA OL Mass Tra CBO Final Sequestration Report limits: BA | ay Cate | 21,991 21,991 | 790 24.574 24,574 | N/A 26,219 26,219 | 26.66 26.66 |
| OL Highw CBO Final Sequestration Report limits: BA. OI. OMB Final Sequestration Report limits: BA OL Difference: BA OL Mass Tra CBO Final Sequestration Report limits: BA OL Mass Tra CBO Final Sequestration Report limits: BA OU OMB Final Sequestration Report limits: | N/A | 21,991 21,991 21,991 | 790 24,574 24,574 | N/A 26.219 26.219 | 26,66 |
| OL Highw CBO Final Sequestration Report limits: BA OL OL OL Difference: BA OL Mass Tra CBO Final Sequestration Report limits: BA OL Mass Tra CBO Final Sequestration Report limits: BA OL OMB Final Sequestration Report limits: BA OL OMB Final Sequestration Report limits: BA | ay Cate | 21,991 21,991 21,991 tegory | 790 24.574 24,574 4,117 | 26.219 26.219 | 26.66 26,66 |
| OL Highw CBO Final Sequestration Report limits: BA OL OMB Final Sequestration Report limits: BA OL Difference: BA OL Mass Tra CBO Final Sequestration Report limits: BA OL OL OMB Final Sequestration Report limits: BA OL | N/A | 21,991 21,991 21,991 | 790 24,574 24,574 | N/A 26.219 26.219 | 26.66 26.66 |
| OL Highw CBO Final Sequestration Report limits: BA OL OL OMB Final Sequestration Report limits: BA OL Mass Tra CBO Final Sequestration Report limits: BA OL Mass Tra CBO Final Sequestration Report limits: BA OL OMB Final Sequestration Report limits: BA OL OMB Final Sequestration Report limits: BA OL OMB Final Sequestration Report limits: BA OL DMB Final Sequestration Report limits: | N/A | 21,991 21,991 21,991 tegory | 790 24.574 24,574 4,117 | 26.219 26.219 | 26.66 26,66 |
| OL Highw CBO Final Sequestration Report limits: BA OL OMB Final Sequestration Report limits: BA OL Mass Tra CBO Final Sequestration Report limits: BA OL Mass Tra CBO Final Sequestration Report limits: BA OL OMB Final Sequestration Report limits: BA OL OMB Final Sequestration Report limits: BA OL | ay Cate | 21,991 21,991 21,991 tegory | 790 24.574 24,574 4,117 | 26.219 26.219 | 26.66 26,66 |

Table 7. COMPARISON OF OMB AND CBO DISCRETIONARY SPENDING LIMITS—Continued
(In millions of dollars)

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|----------|---------|---------|---------|---------|
| Other D | iscretio | nary | | | |
| CBO Final Sequestration Report limits: | | • | | | |
| BA | N/A | N/A | 563,714 | 541,751 | 550.47 |
| OL | N/A | N/A | 562,429 | 548,304 | 537,92 |
| OMB Final Sequestration Report limits: | | | , | , | , |
| BA | N/A | N/A | 563,602 | 541.324 | 550.38 |
| OL | N/A | N/A | 564,870 | 547,522 | 537,27 |
| Difference: | | | , | , | , |
| BA | N/A | N/A | -112 | -427 | -9: |
| OL | N/A | N/A | 2,441 | -782 | -64 |
| Total Discretion | ary Spe | nding L | imits | | |
| CBO Final Sequestration Report limits: | | | | | |
| BA | 533,380 | 582,113 | 568,214 | 541,751 | 550,473 |
| OL | 560,177 | 583,891 | 596,674 | 579,411 | 569,973 |
| OMB Final Sequestration Report limits: | | | | | |
| BA | 533,480 | 583,212 | 568,102 | 541,324 | 550,38 |
| OL | 560,237 | 584,174 | 599,905 | 578,629 | 569,326 |
| Difference: | | | | | |
| OL | 100 | 1,099 | -112 | -427 | -9: |
| | 60 | 283 | 3.231 | -782 | -647 |

OMB and CBO have different approaches to scoring emergency appropriations. CBO scores budget authority for contingent emergency appropriations in the fiscal year in which it is appropriated; OMB scores budget authority only for those contingent appropriations officially released by the President and designated by the President as emergency requirements.

On November 29, 1999, the President signed the Fiscal Year 2000 Consolidated Appropria-tions Act (P.L. 106-113) into law. The Act provides over \$10.5 billion in contingent emerprovides over \$10.5 billion in contingent emergency appropriations for non-defense discretionary activities, including \$4.5 billion for the decennial census, \$1.8 billion for the Wye River accord, \$1.7 billion for Head Start, and \$2.5 billion for other activities. In addition, the following bills also include

contingent emergency appropriations: the Fiscal Year 2000 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Act includes over \$8 billion in contingent emergency appropriations for emergency assistance to farmers; the Fiscal Year 2000 Department of Defense Appropriations Act includes \$7.2 billion contingent emergency appropriation for operations and maintenance; and, the Fiscal Year 2000 Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act includes a \$2.5 billion contingent emergency appropria-tion for the Disaster Relief Fund. CBO has included the full amount of this funding in its adjustment. OMB has adjusted the caps upward for the amounts that have been designated by the President as of January 19, 1999.

III. PAY-AS-YOU-GO SEQUESTRATION REPORT

Pay-as-you-go enforcement covers direct spending and receipts legislation. The BEA defines direct spending as entitlement authority, the food stamp program, and budget authority provided by law other than in appropriations acts. The following are exempt from the pay-as-you-go scorecard: Social Security, the Postal Service, legislation specifically designated as an emergency requirement, and legislation fully funding the Federal Government's commitment to protect insured deposits

The BEA requires that, in total, receipts and direct spending legislation not result in a net cost. If such legislation yields a net cost, and if the President and Congress do not fully offset it by other legislative savings, the law requires that a sequester of non-exempt direct spending programs offset the net cost.

The BEA requires that OMB submit a report to Congress that estimates the resulting change in outlays or receipts for the current year, the budget year, and the following four fiscal years for enacted direct spending and receipts legislation. The estimates, which

must rely on the economic and technical assumptions underlying the most recent President's budget, determine whether the payas-you-go requirement is met. The pay-as-you-go process requires that OMB maintain a "scorecard" that shows the cumulative net cost of such legislation.

Table 8 presents OMB estimates of payas-you-go legislation included in the individual bill reports. In total, these bills have resulted in a net cost of \$58 million for 1999 and a net savings of \$3,072 million in 2000. (As required by the BEA, the 1999 total reflects only Acts added to the scorecard after the 1999 final sequestration report was issued.) Under the BEA, the 1999 and 2000 totals are combined when determining the need for sequestration. Because the combined two year total is a net savings, no sequestration of direct spending programs is required for 2000. As required by the Consolidated Appropriations Act, the pay-as-you-go scorecard for all years was reset to zero on January 3, 2000. The table also shows the CBO estimate for each Act as it was reported in CBO's pay-as-you-go bill reports.

Table 8. NET COST OF PAY-AS-YOU-GO LEGISLATION (In millions of dollars)

| Logistation caacted since the Balancet Rudget Act of 1997; Balances showing in PY2000 Provine Report | Report Number | Act Number | Act Title | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 1999-2004 |
|--|------------------|---------------------------|--|-------|------------|-------------|-------------|-----------------|------|-----------------|
| Bulliance shown in FY2000 Proview Report CBO estimate that the session of the 100th Congress: P. L106-25 Education Freshiph Act P. L106-25 Education Freshiph Act P. L106-25 CBO estimate that the session of the 100th Congress: P. L106-25 CBO estimate that the session of the 100th Congress: P. L106-25 CBO estimate that the session of the 100th Congress: P. L106-25 CBO estimate that the session of the 100th Congress: P. L106-26 CBO estimate that the session of the 100th Congress: P. L106-26 CBO estimate that the session of the 100th Congress: P. L106-26 CBO estimate that the session of the 100th Congress: P. L106-26 CBO estimate that the session of the 100th Congress that the | Legisla | tion enacted si | nce the Balanced Budget Act of 1997: | | | | | | | |
| P. 106-25 Education Perchibitic Partnership Act Condition consider this bill to be PAYCO Condition Perchibitic Partnership Act Condition consider this bill to be PAYCO Condition Perchibitic Partnership Act Condition Perchipitic Perchipition Perchi | | | Balances shown in FY2000 Proview Report OMB estimate CBO estimate | 00 | -2,927 | -833 337 | -164 | -1,092 2,426 | 0 0 | -5,016 6,109 |
| P.L. 106-25 Education Probability Partnership Act OMB does not consider this bill to be PAVGO H.R. 800 CONG estimate CONG settimate -1 -16 -5 -17 -1 -16 -5 -7 -37 | Legisla | tion enacted in | the 1st session of the 106th Congress: | | | | | | | |
| Comparison of Comparison of Control of Con | NA A | P.L. 106-25 H.R. 800 | | МО | B does not | consider 1 | his bill to | be PAYGO | | |
| P. 106-36 Miscellinates Trade and Technical Corrections At of 1999 | | | CBO estimate | 0 | 32 | -11 | -16 | ΨĢ | 0 | |
| P.L. 106-50 Owterans Entrepreneurship and Small Business Development Act of 1989 1 0 | 489 | P.L. 106-36 H.R. 435 | Miscellaneous Trade and Technical Corrections Act of 1999 OMB estinate CBO estimate | ro rd | 37 | 7 9 | ¥ 7 | -27 | -37 | ۳ I |
| P. 106-38 Water Resources Development Act of 1999 S. 507 Croc setimate | 490 | P.L. 106-50 H.R. 1568 | Veterans Entrepreneurship and Small Business Development Act of 1999 OMB estimate | - | 0 | 0 | • | | • | |
| P.L. 10G-53 Water Partner Street Ord Street 4 4 4 4 4 4 4 4 4 4 4 4 4 3 3 6 6 6 6 6 3 3 9 1 10G-58 3 6 6 6 6 6 6 3 3 6 6 6 6 6 6 6 6 3 3 6 7 9 1 1 1 6 6 6 6 6 6 3 3 6 6 6 6 6 3 3 6 6 6 6 6 6 6 6 3 3 COD OST contracts COD OST contracts COD Co | | | CBO estimate | - | 0 | 0 | • | 0 | 0 | |
| Comparison of the Comparison | 491 | P.L. 106-53 S. 507 | Water Resources Development Act of 1999 | 0 | -21 | . 4 | 4 | 4 | 8 | <i>t</i> - |
| Comparison of the continued of the con | 607 | 73 301 10 | CBO estimate | 0 | -19 | 9 | 9 | 9 | m | |
| Comparison of the Comparison | 764 | S. 606 | Netroscuee and menominee Indian Netici Payments OMB estimate | 52 | 0 | 0 | 0 | 0 | 0 | ĸ |
| P.L. 106-65 National Decises Authorization Act for FY 2000 CMB destinate CMB destinate | | | CBO estimate | 25 | 0 | 0 | 0 | 0 | 0 | ŭ. |
| P. 106-79 Concentrate of the American Science of Science | 493 | P.L. 106-65 S. 1059 | National Defense Authorization Act for FY 2000 OMB estimate | 0 | -18 | 112 | 87 | 36 | 16 | 233 |
| P. 106-79 Department of Defense Appropriations Act for FY 2000 OMB does not consider this bill to be PAYGO | | | CBO estimate | 0 | 97 | 9 | 53 | -25 | -38 | -139 |
| P.L. 106–28 Correspondent of the Ames Research Center's Crows Landing Pacifity to HR 356 On 153 O 0 <td>V.</td> <td>P.L. 106-79 H.R. 2561</td> <td>Department of Defense Appropriations Act for FY 2000 OMB estimate</td> <td>WO .</td> <td>B does not</td> <td>consider</td> <td>his bill to</td> <td>be PAYGO</td> <td></td> <td></td> | V. | P.L. 106-79 H.R. 2561 | Department of Defense Appropriations Act for FY 2000 OMB estimate | WO . | B does not | consider | his bill to | be PAYGO | | |
| H.R. 356 Shinkuse County, California Carlo County, California Carlo County, California Carlo | 494 | P.L. 106-82 | Conveyance of the Ames Research Contacts Crows Landing Resilies to | > | £1. | 0 | • | 0 | 9 | Ť |
| P.L. 106–102 Cross-contractors of the competition in the financial services 0 | | H.R. 356 | Standars County, California OME County, California COM Continuate COM Continuate | 0 (| 0 | 0 | မှာ၊ | 0 | 0 | |
| Other entities Othe | 495 | P.L. 106-102 S. 900 | Gramm-Leach-Bliley Act to enhance competition in the financial services industry | • | • | • | a | > | - | |
| P.L. 106-113 Convolidated Appropriations Act? 20 -21 -22 -31 H.R. 3194 OME estimate 0 <t< td=""><td></td><td></td><td>OMB estimate</td><td>00</td><td>-15</td><td>-106</td><td>-106</td><td>-106</td><td>-106</td><td>-43</td></t<> | | | OMB estimate | 00 | -15 | -106 | -106 | -106 | -106 | -43 |
| CBO estimate 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | 496 | P.L. 106-113 H.R. 3194 | Consolidated Appropriations Act ² OMB estimate | | 3 | • | 7 | 97- | 7 | 91 |
| P.L. 106-117 Veterans Miltennium Health Care and Benefits Act H.R. 2116 OMF settinate 0 10 12 28 15 31 H.R. 2116 CGD cetimate 0 -4 589 414 414 777 | | | CBO estimate | • | 0 | • • | - 0 | - | ÷ • | |
| 0 -4 989 343 414 133 | 497 | P.L. 106-117 H.R. 2116 | Veterans Millennium Health Care and Benefits Act OMB estimate | c | - 5 | · • | , 5 | . 4 | ` ; | • |
| | | | CBO estimate | , 0 | 3 7 | 289 | 343 | 9 77 | 127 | |

15,193 14,326 1,288

2,268 4,581 3,916

5,504

0 1,552 0 -6,563

Table 8. NET COST OF PAYAS-YOU-GO LEGISLATION !—Continued (In millions of dollars)

| F. 106-126 Leff Ericson Millennium Cain Act Color Cainate Color Cainat | Report | Act Number | Act Title | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 1999-2004 |
|--|-----------|---------------------------|--|--------------|---------------|----------------|----------------|--------|----------------|------------------|
| P.L. 106-144 Stere Oregon Land Transfer Act S. 416 Olds Bestimate C. GO estimate P.L. 106-140 Stere Care Independence Act of 1599 P.L. 106-109 Tester Care Independence Act of 1599 P.L. 106-109 Tester Care Independence Act of 1599 P.L. 106-170 Constitution and Work Incentives Improvement Act P.L. 106-170 Constitution Construction | <u>\$</u> | P.L. 106-126 H.R. 3373 | 7 | 00 | 77 | 7 47 | 00 | en 64 | 7 | 7.6 |
| P.L. 105-169 Forest Care Independence Act of 1899 H.R. 3443 OMB estimate C. 106 estimate C. 107 Care C. 106 estimate C. 107 Care C. 108 Care C. 10 | 66 | P.L. 106-144 S. 416 | Sisters Oregan Land Transfer Act OMB estinate CMB estinate | 00 | 0 - | 00 | 00 | 00 | 00 | |
| P.L. 106-170 Midt estimate | 200 | P.L. 106-169 H.R. 3443 | Foster Care Independence Act of 1999 OMB estimate | •• | -22 | ° 78 | 9 21 | 77 | 26 14 | Ŧ° |
| 58 -146 4888 7546 48 -238 3.146 8.006 58 -3.072 4,055 7,384 48 349 3,485 11,165 -58 3,072 -4,055 -7,384 - -48 3,49 -3,485 -11,165 | 109 | P.L. 106-170 H.R. 1180 | Ticket to Work and Work Incentives Improvement Act ONB estimate CBO estimate | 00 | -80 -97 | 4,874 2,899 | 7,550 8,089 | 2,933 | 2,628 2,210 | 17,905 15,505 |
| 1386 -3072 4,066 7,384 (148 349 3,485 11,105 (148 3072 4,085 17,105 (148 3072 4,085 17,884 (148 3,087 4,085 11,105 (148 3,087 4,085 11,105 (148 3,087 4,087 | | | Subtotal, legislation enacted in the 1st session of the 108th Congres. OMS estimate CBO estimate | 58 48 | -145 | 4,888 | 7,548 | 2,854 | 2,562 | 17,765 |
| -58 3,072 -4,055 -7,384 -48 -349 -3,485 -11,165 | | | Total, balances on January 3, 2006: OMB estimate CBO estimate | 58 | -3,072 349 | 4,055 3,485 | 7,384 | 1,762 | 2,562 | 12,749 |
| Current balances: | | | Remove balances pursuant to P.L. 106-113: OMB estinate CBO estimate | \$ \$ | 3,072 | -4,055 | -7,384 | -1,762 | -2,562 | -12,749 |
| OMB estimate | | | Current balances: OME seinate COS estinate | • • | • • | 00 | 00 | 00 | | |

Table 9. PAY-AS-YOU-GO LEGISLATION WITH IMPACT OF \$500,000 OR LESS ENACTED IN THE FIRST SESSION OF THE 106th CONGRESS

| Public Law Number | Act Number | Act Title |
|-------------------|------------|---|
| P.L. 106-4 | H.R. 540 | Nursing Home Resident Protection Amendments of 1999: |
| P.L. 106-5 | H.R. 808 | Family Farmer Bankruptcy Extension Act |
| P.L. 106-6 | S. 643 | Interim Federal Aviation Administration Authorization Act |
| P.L. 106-7 | H.R. 1212 | Crop Insurance Application Deadline Extension |
| P.L. 106-21 | H.R. 1376 | Tax Relief for Personnel Involved in Operation Allied Force |
| P.L. 106-26 | S. 531 | Congressional Gold Medal for Rosa Parks |
| P.L. 106-32 | H.R. 1034 | Act to Declare a Portion of the James River and Kanawha Canal Nonnav igable waters ² |
| P.L. 106-37 | H.R. 775 | Y2K Act |
| P.L. 106-40 | S. 880 | Chemical Safety Inspection, Site Security and Fuels Regulatory Relief Act |
| P.L. 106-41 | S. 604 | Lake Oconee Land Exchange Act |
| P.L. 106-43 | S. 1259 | Trademark Amendments of 1999 |
| P.L. 106-45 | H.R. 66 | Act to Preserve Cultural Resources of the Route 66 Corridor |
| P.L. 106-47 | S. 1543 | Tobacco Production and Marketing Information Act |
| P.L. 106-59 | S. 1637 | Extension of Certain Expiring FAA Authorizations ² |
| P.L. 106-63 | S. 380 | Congressional Award Act Amendments of 1999 |
| P.L. 106–66 | S. 293 | Act to direct the Secretaries of Agriculture and Interior to convey certain lands to San Juan College |
| P.L. 106-70 | S. 1606 | Family Farmer Bankruptcy Act Extension |
| P.L. 106-84 | H.R. 2841 | To amend the Revised Organic Act of the Virgin Islands |
| P.L. 106-95 | H.R. 441 | Nursing Relief for Disadvantaged Areas Act |
| P.L. 106-96 | H.R. 609 | To amend the Export Apple and Pear Act to limit the applicability of the Act to apples |
| P.L. 106-99 | H.R. 2303 | History of the House Awareness and Preservation Act |
| P.L. 106–100 | H.R. 3122 | To permit enrollment in the House Child Care Center of children of Federal employees |
| P.L. 106-104 | H.R. 3061 | S Visa and Refugee Assistance Authorization |
| P.L. 106-107 | S. 468 | Federal Financial Assistance Management Improvement Act of 19992 |
| P.L. 106-114 | S. 278 | Rio Arriba County Land Transfer Act |
| P.L. 106-116 | S. 1398 | Coastal Barrier Resources System Map Corrections |
| P.L. 106-118 | H.R. 2280 | Veterans' Compensation Cost-of-Living Adjustment Act |
| P.L. 106-120 | H.R. 1555 | Intelligence Authorization Act |
| Pvt.L. 106-3 | H.R. 322 | For the relief of Suchada Kwong ² |
| P.L. 106-128 | S. 574 | Delaware Coastal Barrier Map Correction |
| P.L. 106-138 | H.R. 2079 | Terry Peak Land Transfer Act |
| P.L. 106-139 | H.R. 2886 | Amendments to Immigration and Nationality Act |
| P.L. 106-143 | S. 28 | Four Corners Interpretive Center Act |
| P.L. 106-152 | H.R. 1887 | To punish the depiction of animal cruelty |
| P.L. 106-153 | H.R. 1932 | Gold Medal for Father Theodore M. Hesburgh |
| P.L. 106-154 | H.R. 2140 | Chattahoochee River National Recreation Area Act |
| P.L. 106-158 | H.R. 3381 | Export Enhancement Act |
| P.L. 106-159 | H.R. 3419 | Motor Carrier Safety Improvement Act |
| P.L. 106-160 | H.R. 3456 | Digital Theft Deterrence and Copyright Damages Act |
| P.L. 106-164 | S. 438 | Chippewa Cree Tribe Water Rights Settlement ² |
| P.L. 106-168 | S. 335 | Deceptive Mail Prevention and Enforcement Act |

¹CBO does not score this bill as subject to pay-as-you-go requirements.

²OMB does not score this bill as subject to pay-as-you-go requirements.

Comparison with CBO estimates.—The BEA requires that OMB explain differences with CBO estimates of enacted pay-as-you-go legislation. The largest differences between OMB and CBO estimates for legislation enacted in the first session of the 106th Congress are for the Veterans Millennium Health Care

and Benefits Act and the Ticket to Work and Work Incentives Improvement $\mathop{\rm Act}\nolimits$.

For the Veterans Millennium Health Care and Benefits Act, OMB scores net costs of \$0.1 billion over the period 1999 through 2004, while CBO scores costs of \$1.2 billion. This difference is primarily due to different

interpretations of a requirement providing nursing home care to certain veterans. CBO believes the Act creates an entitlement to nursing home care for these veterans and thus scores direct spending. OMB views the Act as directing the Department of Veterans Affairs to give a higher priority to these veterans when they are seeking nursing home care. The benefits will be funded from the veterans medical care account, which is subject to annual appropriations.

OMB scores net costs of \$17.9 billion over the period 1999 through 2004 for the Ticket to Work and Work Incentives Improvement Act, \$ 2.4 billion more than CBO's estimate of \$15.5 billion. Much of the difference is the result of different scoring of tax provisions, primarily for extensions of the research and experimentation tax credit and Subpart F for active financing income.

These differences are the result of different baselines and estimating models.

OMB and CBO also have significant differences in the pay-as-you-go scoring of the Consolidated Appropriations Act. OMB scores net costs of \$1.6 billion in 2000; while CBO scores net savings of \$6.6 billion. This is largely the result of a different interpretation of which provisions are covered as pay-as-you-go under the Act's requirements. This Act also included a requirement that OMB and CBO not adjust their pay-as-you-go scorecards for any provisions of the Act. Thus, this difference does not affect the total difference between the OMB and CBO scorecards.

More detail on these differences, as well as smaller differences in other bills, is available in the separate reports issued subsequent to enactment of each bill.

OMB FINAL SEQUESTRATION REPORT TO THE PRESIDENT AND CONGRESS FOR FISCAL YEAR 2000



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

THE DIRECTOR

January 25, 2000

The President The White House Washington, DC 20500

Dear Mr. President:

Enclosed please find the OMB Final Sequestration Report to the President and Congress for fiscal year 2000, as required by the Budget Enforcement Act of 1990, as amended.

The report provides current estimates of the status of discretionary spending and the discretionary limits. It also provides the status of pay-as-you-go legislation. Comparisons with the estimates provided by the Director of the Congressional Budget Office in his report are also included.

Based on the estimates contained in this report, neither discretionary nor pay-as-you-go sequesters are required.

Sincerely,

Jacob J. Lew Director

Enclosure

Identical Letter Sent to The Honorable Albert Gore and The Honorable J. Dennis Hastert

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GENERAL NOTES

- All years referred to are fiscal years unless otherwise noted.
 Details in the tables and text may not add to totals due to rounding.

I. OVERVIEW

The Budget Enforcement Act of 1997 (BEA of 1997) extended and modified the expiring enforcement requirements of the Budget Enforcement Act of 1990 (BEA of 1990). The BEA of 1997 established new limits, or "caps," for discretionary spending through 2002. It also extended the requirement that legislation affecting direct spending or receipts not result in net costs to the Federal Government. The Transportation Equity Act for the 21st century (TEA-21) further modified the discretionary spending limits and created new limits for highway and mass transit spending. An across-the-board reduction of non-exempt spending, known as "sequestra-

tion", enforces compliance with these constraints.

The BEA requires that OMB issue reports on the overall status of discretionary and pay-as-you-go legislation. The end-of-session report, which OMB is required to issue after Congress adjourns sine die, determines whether or not a sequester is required. This report, which covers legislation enacted in the first session of the 106th Congress, indicates that no sequester is required for either mandatory or discretionary programs. As required by the Consolidated Appropriations Act, the pay-as-you-go balances for all years were reset to zero on January 3, 2000.

II. DISCRETIONARY SEQUESTRATION REPORT

Discretionary programs are funded annually through the appropriations process. The scorekeeping guidelines accompanying the Budget Enforcement Act of 1990 (BEA), as amended by the Omnibus Budget and Reconciliation Act of 1993 (OBRA) and the Budget Enforcement Act of 1997, identify accounts with discretionary resources. The Balanced Budget Act of 1997 (BBA) limited budget authority and outlays available for discretionary programs each year through 2002. For fiscal years 1998 and 1999, the BBA of 1997 established three separate categories of discretionary spending: defense, non-defense (excluding violent crime reduction spending), and violent crime reduction spending. For fiscal year 2000, the law divided discretionary spending into two categories: violent crime reduction spending and all other discretionary spending. For fiscal years 2001 and 2002, a single category for all discretionary spending was established. The Transportation Act for the 21st Century (TEA-21), which was enacted in June 1998, modified these categories by establishing two additional categories for highway and mass transit outlays for fiscal years 1999 through

OMB monitors compliance with the discretionary spending limits throughout the fiscal year. Appropriations that cause a breach in the budget authority or outlay limits trigger a sequester to eliminate that breach. The law, however, does not require that Congress appropriate the full amount available under the discretionary limits.

The discretionary spending limits established in the various amendments to the BEA have worked in an environment of budget deficits to constrain the growth of discretionary spending. These limits were extended in the BBA and were based on an overall budget architecture that was intended to achieve balance by fiscal year 2002. The original BBA discretionary limit for fiscal year 2002 is \$3.5 billion less than the limit set for fiscal year 2000.

In fiscal year 1998, discretionary appropriations were enacted that complied with the limits set in law. Using the scoring rules required by the BEA, both OMB and CBO estimated that fiscal year 1999 appropriations complied with the statutory limits, although spending was expanded beyond the limits through several means. In particular, the emergency designation, which exempts spending from the spending limits, was used to fund roughly \$15.5 billion of fiscal year 1999 discretionary spending. In addition, reductions to mandatory programs and expanded use of advance appropriations were relied on to expand program levels and to fit fiscal year 1999 discretionary spending within the statutory limit. This trend continued in fiscal year 2000. Table 1 highlights the trend in the use of these mechanisms that expand discretionary spending between fiscal years 1998 and 2001.

Table 1. DISCRETIONARY SPENDING LEVELS

| | 1998 | 1999 | 2000 | 2001 |
|--|---------|---------|---------|---------|
| Original Balanced Budget Act Limits | | | | |
| BA | 526.857 | 532,999 | 537.193 | 542,032 |
| OL | 553,268 | 559,321 | 564,265 | 564,396 |
| Year-to-year percentage change: | | | | |
| BA | | 1.2% | 0.8% | 0.9% |
| OL | | 1.1% | 0.9% | 0.0% |
| Spending Funded by Alternative Mechanisms: | | | | |
| BA | 2,981 | 26,424 | 49,290 | |
| OL | 1,017 | 13,483 | 29,750 | |
| Discretionary Program Levels: | | | | |
| BA | 529,838 | 559,423 | 586,483 | 542,032 |
| OL | 554,285 | 572,804 | 594,015 | 564,396 |
| Year-to-year percentage change: | | | | |
| BA | | 5.6% | 4.8% | -7.6% |
| OL | | 3.3% | 3.7% | -5.0% |

The enacted BBA outlay limit for fiscal year 2000 allowed only 0.9 percent growth in discretionary outlays over the original limit for fiscal year 1999. The fiscal year 2000 appropriations included \$23.7 billion in emergency designations, additional advance appropriations, and several obligation delays. As can be seen in Table 2 of this section, the official scoring of fiscal year 2000 appropriations was \$537 billion in budget authority and \$569 billion in outlays. Adding spending supported by the financing mechanisms listed below, discretionary budget authority will be closer to \$586 billion and discretionary

outlays will be about \$599 billion for FY 2000, differences of \$49 billion (9 percent) and nearly \$30 billion (5 percent), respectively, greater than what was recorded under BEA scoring.

Table 2 shows the difference between the BEA scoring of fiscal year 2000 appropriations and the program level provided by designating funding as emergencies, expanding programs with advance appropriations, and offsetting spending with mandatory savings, rescissions, and obligation delays. Table 3 summarizes changes to the caps since 1990.

Table 2. FY 2000 DISCRETIONARY SPENDING SUMMARY

| / , | 200 | 0 |
|--|-------|---------|
| | BA | Outlays |
| OMB Scoring of FY 2000 Appropriations Action, Excluding Emergency Spending | | 568,791 |
| Spending Designated as Emergency: | | |
| Decennial Census | 4.476 | 3,790 |
| DoD Military Operations and Maintenance Costs | 7.200 | 5.345 |
| DoD Military Pay Raise | 1.838 | 1.794 |
| Farm Service Agency | 229 | 157 |
| Head Start | 1,700 | 861 |
| Low Income Home Energy Assistance | 1.100 | 814 |
| Natural Resources Conservation Service/Rural Housing Service | 105 | 39 |

Table 2. FY 2000 DISCRETIONARY SPENDING SUMMARY—Continued
(In millions of dollars)

| | 2000 | |
|--|----------|---|
| | BA | Outlays |
| Public Health and Social Services Emergency Fund | 584 | 30- |
| Student Financial Assistance | 10 | |
| Rural Development | 2 | |
| Refugee and Entrant Assistance | 427 | 12 |
| Wye River Memorandum | 1.825 | 31 |
| United Mine Workers Consolidated Benefit Fund | 68 | 6 |
| Unreleased Contingent Emergency Spending in FY 2000 Consoli- | - | • |
| dated Bill | 2,870 | |
| Releases of Emergency Spending Provided in Past Appropriations | 2,0.0 | •••••• |
| | 1,268 | 72 |
| Bills | 1,200 | |
| Subtotal, Spending Designated as Emergency | 23,702 | 14,33 |
| pending Offset by Mandatory Savings: | 0.550 | 0.75 |
| Federal Reserve Balance Transfer | 3,752 | 3,75 |
| Acceleration of Spectrum Auction Receipts | 2,600 | 2,60 |
| Delay of Crime Victims Fund Spending | 525 | 52 |
| National Database of New Hires | 878 | 87 |
| SSBG | 605 | 92 |
| Cooperative State Research Education and Extension Activities | 120 | 1 |
| Fund for Rural America | 60 | 3 |
| Wetlands Reserve | 46 | 1 |
| Environmental Quality Incentive Program | 26 | |
| Conservation Farm Option | 38 | |
| Food Stamp Program | 11 | 1 |
| Child Nutrition | 57 | 5 |
| Subtotal, Spending Offset by Mandatory Savings | 8,718 | 8,82 |
| Additional FY 2000 Program Funded by FY 2001 Advance Ap- | | |
| propriations: | | |
| Reading Excellence | 195 | |
| School Improvement Programs | 1,530 | *************************************** |
| Vocational and Adult Education | 791 | *************************************** |
| Special Education | 3,742 | |
| Administration for Children and Families | 1,400 | |
| Housing Certificate Fund | 4,200 | |
| Training and Employment Services | 2,463 | |
| Postal Service | 64 | |
| Subtotal, Additional FY 2000 Program Funded by FY 2001 | | |
| Advance Appropriations | 14,385 | |
| Spending Offset by Rescissions: | | |
| Assisted Housing | 2,319 | |
| Army Corps of Engineers General Investigations | 1 | |
| Army Corps of Engineers Construction General | 13 | |
| Broadcasting Board of Governors International Broadcasting Op- | | |
| | 16 | 1 |
| erations | | |
| Corporation for National and Community Service | 80 | |
| | 80 35 | |
| Corporation for National and Community Service | | |
| Corporation for National and Community Service | | 2 |

Table 2. FY 2000 DISCRETIONARY SPENDING SUMMARY—Continued

| Small Business Administration Business Loan Program Account | BA | Outlavs |
|---|---|--------------|
| | | |
| Nuclear Waste Disposal | 13 | |
| | 4 | ************ |
| Subtotal, Spending Offset by Rescissions | 2,485 | ı |
| ending Offset by Timing Shifts and Obligation Delays: | | |
| Pay Delay | | 3,5 |
| Defense Progress Payments | *************************************** | 1,2 |
| National Institutes of Health | **************** | 90 |
| Health Research and Services Administration | | 1' |
| Centers for Disease Control | | 1 |
| Administration for Children and Families | | 2 |
| Social Services Block Grant | | 1. |
| Substance Abuse & Mental Health Services Administration | | _ |
| Sustaince Abuse & Memai Hearth Services Administration | | |
| Subtotal, Spending Offset by Timing Shifts and Obliga- | | 0.5 |
| tion Delays | | 6,54 |
| Subtotal, Adjustments | 49,290 | 29,75 |
| 000 Program Level | 586,063 | 598,54 |

Table 3. HISTORICAL SUMMARY OF CHANGES TO DISCRETIONARY SPENDING LIMITS
(In billions of dollars)

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|--|--|---------------------------|---------------------------|----------------------------------|---|--------------------------|--|----------------------------------|------------------|-------------------|------------------|
| 4 | BA 491.7 OL 514.4 | 503.4 524.9 | 511.5 534.0 | 510.8 534.8 | 517.7 540.8 | 619.1 647.3 | 628.1 647.3 | 530.6 547.9 | N/A N/A | N'N N'N | N/A N/A | N'A N'A |
| | BA OL | 2.0 0.0 0.0 0.0 0.0 0.0 | 8824-69 24-1-62 | 8, 4, 6, 7, 4, 6, 7, 8 | 8.8 0.8 11.8 8.8 8.8 | 3.0 1.8 1.8 1.8 | 0.2.2.2.4 4.6.6.8 | 3.1 0.0 0.9 | NNN NNN N | NN NN NA A A | NNNN NAAA A | XXXX XXXX |
| , IRS funding, ments | BA 02 0L 03 0L 11 0L 11 | 0.2 0.3 8.3 1.8 | 13.0 0.8 5.4 5.4 | 0.6 0.8 12.2 9.0 | 0.9 7.7 10.1 -15.0 | 00000 10000 | 00012004 2888414 | 0.1 | NXXXXX XXXXXX XXXXXX | NXXXXX XXXXXX | XXXXXX XXXXXX | ZZZZZZ ZZZZZZ |
| Adjustments for special allowances: Discretionary new budget authority | BA OL BA OL 2.6 | 3.5 | 2.2 | 2.9 2.6 1.0 | 2.9 | 1.1 | 0.5 | 0.1 | NNNN NAAA | N N N N N | NNNN NAAA | ZZZZ |
| ding Desert | BA 1.1 OL 3.9 | 19.2 5.9 | 23.6 | 14.3 | -6.7 6.8 | 7.5 | 4.0 | 3.1 | N/A N/A | N/A N/A | N/A N/A | NA |
| | BA 44.2 OL 33.3 | 14.0 14.9 | 9.6 | 2.8 | 1.1 | | | | N/A N/A | N/A N/A | N/A N/A | N/N N/N |
| Total adjustments | BA 45.4 OL 37.2 | 33.2 | 24.2 16.4 | 14.3 12.8 | 7.8 | 7.5 | 4.0 3.7 | 3.1 | N/A N/A | N/A N/A | N/A N/A | NN NN |
| Spending limits as of 2/697? Adjustment to reach discretionary spending limits | BA 537.1 OL 551.6 | 536.6 545.7 | 535.7 550.4 | 525.1 547.6 | 511.0 548.6 | 526.7 552.7 | 532.0 551.0 | 533.8 546.4 | N/A N/A | N/A N/A | N/A N/A | NN NN NN |
| | BA N/A OL N/A | N'A N'A | N'A N'A | N/A N/A | N/A N/A | N/A N/A | N'A N'A | 6.9 6.9 | N/A N/A | N/A N/A | N'A N'A | V.X |
| iii 1997 Dipartisan Duager | BA N/A OL N/A | N/A N/A | N/A N/A | N/A N/A | N/A N/A | N'N N'A | N/A N/A | 526.9 553.3 | 533.0 559.3 | 537.2 | 542.0 564.4 | 551.1 560.8 |
| | BA NAA OOL NAA | ZZZZZZ | AAAAA XXXXXX | ******* | ¥¥¥¥¥X ZZZZZZ | NNNNN | N/A N/A 7.7 2.7 | 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 | 31.00 19.00 19.00 19.40 | 328011 | 9.0 | 9 9 9 9 |
| | | | | | | | | 3 | | ; | | ; |

Table 3. HISTORICAL SUMMARY OF CHANGES TO DISCRETIONARY SPENDING LIMITS—Continued

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| lar | |
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| s of | |
| 를 | |
| 豆 | |
| 드 | |

| | 19 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|-------|-------------|--------|-------|-------|-------|-------|-------|-------|---|----------------|----------------|----------------|
| Adiustments for special allowances: | | | | ŀ | | | | | | | | | |
| Adjustment for rounding | V. | A/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 1.1 | N/A | ٧X |
| - | | ¥ | Y. | Y. | N/A | N/A | N/A | N/A | Ν | N/A | | N/A | V/N |
| Outlay adjustment | | \$: | ¥. | X. | ¥. | N/A | ¥. | | | *************************************** | | | |
| | - | ¥.5 | Šž | Z Z | Y. | V. | ¥. | **** | | 9 | 800 | | |
| A347 | 10 | ¥. | X X | Š | Š | XX | ŠŽ | ŽŽ | Y X | ? - | 2.6 |) 4 | |
| A Section of the sect | | | 0 000 | 0 | | | | | • | | 1. | | |
| rinal Sequestration behott spending mats | OL 55 | 551.6 | 545.7 | 550.4 | 547.6 | 548.6 | 552.7 | 553.7 | 560.2 | 583.2 | 568.1 599.9 | 541.3 578.6 | 550.4 569.3 |

* Less than \$50 million.

* New Statistics of L. 106-178, the Transportation Equity Act for the 21st Century (TEA-21), which was signed by the President on June 6, 1986, exhibitshed two new discretionary spending categories: Highway and Mass Transit. Sec. 810101 of TEA-22) provided for an offsetting adjustment in the existing discretionary spending limits 19 L. 106-158. Rerespects Supplemental Appropriations for Additional Discrete Assistance in the Recovery from the Trapsectiventy Supplemental Appropriations for Additional Discrete Assistance in Life Recovery from the Trapsection and Additional Discrete Assistance in the Recovery from the President of Additional Discrete Assistance in the Recovery from the President State of Additional Discretionary and Violent Crime Reduction State of Presidents of Pr

Adjustments to discretionary limits.—Section 251(b)(2) authorizes certain adjustments after the enactment of appropriations. Table 4 includes those adjustments that can be made now due to legislation enacted to date. The section 251(b)(2) adjustments include:

• Emergency Appropriations.—Funding for amounts that the President designates as "emergency requirements" and that Congress so designates in law. Fiscal year 2000 appropriations acts included over \$31 billion in emergency funding, including over \$9 billion for emergency assistance to farmers and \$1.8 billion in advance appropriations for the 2000 military pay raise. As of January 19th, the President has authorized the release of \$28.6 billion of this funding, which was provided for

the 2000 decennial census, operations and maintenance activities of the Department of Defense, the fiscal year 2000 military pay raise, agricultural disasters within the United States, Head Start, the Low-income Home Energy Assistance program, the implementation of the Wye River peace accord, and other activities.

Further, since the August Update Report, the President has also authorized the release of \$1.3 billion in emergency appropriations that were previously enacted to support the Administration's efforts in addressing the year-2000 computer conversion problem, natural disasters, the fiscal year 2000 military pay raise, operations and maintenance activities of the Department of Defense, and to support the needs of States that have experienced extremely hot weather conditions.

Table 4. FINAL SEQUESTRATION REPORT ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS

(In millions of dollars)

| | | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|------------|--------------|---------|---|---|------|
| NON-DEFENSE DISCRETIONARY SPENDING, EXCLUD | ING | VIOLENT | CRIME R | EDUCTIO | N SPENI | DING |
| Update Report Non-Defense Discretionary Spending | | | 000 505 | *** | **** | |
| Limits | BA | 256,148 | 289,735 | N/A | N/A | N/A |
| | OL | 286,325 | 276,815 | N/A | N/A | N/A |
| Adjustments for the Final Sequestration Report: | . . | | | | | |
| Contingent Emergency Appropriations Released | BA | | 827 | N/A | N/A | N/A |
| | OL | | 282 | N/A | N/A | N/2 |
| Subtotal, Adjustments for the Final Sequestration | | | | | | |
| Report | BA | | 827 | N/A | N/A | N/A |
| | OL | | 282 | N/A | N/A | N/A |
| Final Sequestration Report Spending Limits | BA | 256,148 | 290,562 | N/A | N/A | N/A |
| | OL | 286,325 | 277,097 | N/A | N/A | N/A |
| DEFENSE DISCRETION. | ARY | SPENDING | 3 | *************************************** | *************************************** | |
| Update Report Defense Discretionary Spending Limits | BA | 271,832 | 286,578 | N/A | N/A | N/A |
| | OL | 269,079 | 275,732 | N/A | N/A | N/A |
| Adjustments for the Final Sequestration Report: | | • | | | | |
| Contingent Emergency Appropriations Released | BA | ************ | 272 | N/A | N/A | N/A |
| | OL | | | N/A | N/A | N/A |
| Subtotal, Adjustments for the Final Sequestration | | | | *************************************** | | |
| Report | BA | | 272 | N/A | N/A | N/A |
| | OL | | | N/A | N/A | N/A |
| | | | | | | |
| Final Sequestration Report Spending Limits | BA | 271,832 | 286,850 | N/A | N/A | N/A |
| | or | 269,079 | 275,732 | N/A | N/A | N/A |

Table 4. FINAL SEQUESTRATION REPORT ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS—Continued
(In millions of dollars)

| | | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|--|---|---|--|-----------------------|---------|
| VIOLENT CRIME REDUC | CTION | SPENDIN | G | | | |
| Update Report Violent Crime Reduction Spending Limits | BA | 5,500 | 5,800 | 4,500 | N/A | N/2 |
| | OL | 4,833 | 4,953 | 5,554 | N/A | N/A |
| Adjustments for the Final Sequestration Report: | | | | | | |
| Special Outlay Allowance | BA OL | | | 790 | N/A N/A | N/2 |
| | OL. | | | 790 | N/A | . N/2 |
| Subtotal, Adjustments for the Final Sequestration | | | | | | |
| Report | | | | | N/A | N/A |
| and the second s | OL | | | 790 | N/A | N/A |
| Final Sequestration Report Spending Limits | BA | 5,500 | 5,800 | 4,500 | N/A | N/A |
| | OL | 4,833 | 4,953 | 6,344 | N/A | N/A |
| HIGHWAY CAT | EGOI | RY | | | | |
| Update Report Highway Category Spending Limits | BA | N/A. | | | | |
| | OL | N/A | 21,991 | 24,574 | 26,219 | 26,663 |
| Adjustments for the Final Sequestration Report: | | | | | | |
| No Adjustments | BA | | | | | |
| Final Sequestration Report Spending Limits | OL BA | | | | | |
| rmai Sequestration heport Spending Limits | OL | N/A | 21,991 | 24,574 | 26,219 | 26,663 |
| MASS TRANSIT C | ATEG | ORY | <u> </u> | | | |
| Update Report Mass Transit Category Spending Limits | ВА | N/A | | | | |
| opular treport mass framen category spending Linnes | OL | N/A | 4,401 | 4,117 | 4.888 | 5,384 |
| Adjustments for the Final Sequestration Report: | | | -, | -, | 2,000 | 0,00 |
| No adjustments | BA | N/A | | | | |
| | OL | | | | | |
| Final Sequestration Report Spending Limits | BA OL | N/A N/A | 4,401 | 4.117 | 4.888 | 5.384 |
| | | | 4,401 | 4,111 | 4,000 | 0,004 |
| OTHER DISCRETIONA | | | | | | |
| Update Report Other Discretionary Spending Limits | BA | N/A N/A | N/A | | | 550,382 |
| Adjustments for the Final Sequestration Report: | OL | NA | N/A | 541,574 | 541,835 | 535,753 |
| Emergency Appropriations Enacted and Released | BA | N/A | N/A | 29.772 | | |
| | OL | N/A | N/A | 22,777 | 5.218 | |
| | - | N/A | N/A | 144 | | ····· |
| EITC Tax Compliance Initiative | BA | | | | | |
| EITC Tax Compliance Initiative | OL | N/A | N/A | | | |
| EITC Tax Compliance Initiative | OL BA | N/A | N/A | 405 . | | |
| Continuing Disability Reviews (CDRs) | OL BA OL | N/A N/A | N/A N/A | 405 . 373 | 32 . | |
| - | OL BA OL BA | N/A N/A N/A | N/A N/A N/A | 405 . 373 75 . | 32 . | |
| Continuing Disability Reviews (CDRs) | OL BA OL BA OL | N/A N/A N/A N/A | N/A N/A N/A N/A | 405 . 373 75 . | 32 . 75 . | |
| Continuing Disability Reviews (CDRs) | OL BA OL BA OL BA | N/A N/A N/A N/A N/A | N/A N/A N/A N/A N/A | 405 . 373 75 . 351 . | 32 . 75 . | |
| Continuing Disability Reviews (CDRs) | OL BA OL BA OL | N/A N/A N/A N/A N/A N/A | N/A N/A N/A N/A N/A N/A | 405 . 373 75 . 351 . | 32 . 75 . 351 . | |
| Continuing Disability Reviews (CDRs) | OL BA OL BA OL BA | N/A N/A N/A N/A N/A | N/A N/A N/A N/A N/A | 405 . 373 75 . 351 . | 32 . 75 . | |
| Continuing Disability Reviews (CDRs) | OL BA OL BA OL BA | N/A N/A N/A N/A N/A N/A N/A | N/A N/A N/A N/A N/A N/A | 405 . 373 75 . 351 . 20 . 2 | 32 . 75 . 351 . | 7 |
| Continuing Disability Reviews (CDRs) MDB Arrearage Payments (Foreign Operations bill) UN Arrearage Payments (Commerce/Justice/State bill) Adoption Incentive Payments | OL BA OL BA OL BA OL | N/A N/A N/A N/A N/A N/A N/A | N/A N/A N/A N/A N/A N/A N/A N/A | 405 . 373 . 75 . 351 . 20 . 2 . | 32 . 75 . 351 . | 7 |
| Continuing Disability Reviews (CDRs) | OL BA OL BA OL BA OL BA | N/A N/A N/A N/A N/A N/A N/A N/A | N/A N/A N/A N/A N/A N/A N/A N/A | 405 . 373 . 75 . 351 . 20 . 2 . | 32 . 75 . 351 . | 7 |
| Continuing Disability Reviews (CDRs) MDB Arrearage Payments (Foreign Operations bill) UN Arrearage Payments (Commerce/Justice/State bill) Adoption Incentive Payments | OL BA OL BA OL BA OL BA | N/A N/A N/A N/A N/A N/A N/A N/A | N/A N/A N/A N/A N/A N/A N/A N/A | 405 . 373 75 . 351 . 20 . 2 1,065 . | 32 . 75 . 351 . | 7 |
| Continuing Disability Reviews (CDRs) | OL BA OL BA OL BA OL BA OL | N/A N/A N/A N/A N/A N/A N/A N/A N/A | N/A N/A N/A N/A N/A N/A N/A N/A N/A | 405 . 373 75 . 351 . 20 . 2 1,065 . | 32 . 75 . 351 . | 7 |
| Continuing Disability Reviews (CDRs) | OL BA OL BA OL BA OL BA OL | N/A | N/A N/A N/A N/A N/A N/A N/A N/A N/A | 405 . 373 . 75 | 32 . 75 . 351 . | 7 |

FINAL SEQUESTRATION REPORT ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS—Continued

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(In millions of dollars)

| | | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|-------|---------|---------|---------|---------|---------|
| TOTAL DISCRETIONA | RY SI | PENDING | | | | |
| Preview Report Total Discretionary Spending Limits | BA | 533,480 | 566,380 | 536,271 | 541,324 | 550,382 |
| | OL | 560,237 | 576,089 | 570,945 | 571,047 | 567,800 |
| Update Report Total Discretionary Spending Limits | BA | 533,480 | 582,113 | 536,271 | 541,324 | 550,382 |
| | OL | 560,237 | 583,892 | 575,819 | 572,942 | 567,800 |
| Final Sequestration Report Spending Limits | BA | 533,480 | 583,212 | 568,102 | 541,324 | 550,382 |
| | OL | 560,237 | 584,174 | 599,905 | 578,629 | 569,326 |

- Continuing Disability Reviews.—Funding for additional continuing disability reviews (CDRs) under the heading, "Limitation on Administrative Expenses," for the Social Security Administration. The law limits adjustments to the budget authority and outlay estimates authorized in 105-33, the Balanced Budget Act of 1997. CDRs are conducted to verify that recipients of Social Security disability insurance benefits and Supplemental Security Income benefits for persons with disabilities are still disabled. The fiscal year 2000 Labor, Health and Human Services, Education, and Related Agencies Appropriations Act provided \$405 million for CDRs.
- Allowance for International Arrearages funding.—Funding for arrearages for international organizations, international peacekeeping, and multilateral development banks. The amount of the cap adjustment is limited to \$1.884 billion for fiscal years 1998 through 2000 in P.L. 105-33. A total of \$426 million was provided for international arrearage payments in fiscal year 2000 appropriations bills, bringing the total adjustments made for arrearage payments to the authorized limit of \$1.884 billion.
- Earned Income Tax Credit (EITC) Compliance Initiative.-Funding for EITC compliance initiatives, including the detection and enforcement of EITC eligibility rules in order to reduce EITC overclaims. Adjustments are limited to the budget authority and outlay estimates authorized in P.L. 105-33. The fiscal year 2000 Treasury

- and General Government Appropriations Act provided \$144 for EITC compliance.
- · Adoption Incentive Payments.-The Adoption and Safe Families Act of 1997 authorizes bonus payments to States that increase the number of adoptions from the foster care system. The Act provides for a discretionary cap adjustment for appropriations up to \$20 million annually in fiscal years 1999 through 2003. It is assumed that the cost of adoption bonuses will be offset by reductions in mandatory foster care costs. The \$20 million requested was included in the fiscal year 2000 Labor, Health and Human Services, Education, and Related Agencies Appropriations Act.
- Special Outlay Allowance.—This allowance was included in the BEA to cover technical scoring differences that result when OMB scoring exceeds CBO scoring. If, in any year, outlays for a discretionary spending category exceed the spending limit for the category, but new budget authority does not exceed the limit for that category, the special outlay allowance may be used. The outlay adjustment is the amount of the excess spending over the limit. The adjustment can not exceed 0.5 percent of the sum of the adjusted discretionary spending limits on outlays for that fiscal year.

OMB's final estimate of fiscal year 2000 crime category spending indicates that a special outlay allowance adjustment of \$790 million is required to cover the outlay breach in this category.

Adjustment for Rounding.-Public law 106-113, the FY 2000 Consolidated Appropriations Act, included a provision requiring OMB to adjust the FY 2000 limit on budget authority for the discretionary category upward by 0.2 percent, resulting in an increase of \$1.1 billion.

Status of FY 1999 discretionary appropriations.—Table 5 summarizes the status of enacted fiscal year 1999 discretionary appropriations, relative to the discretionary caps. Enacted budget authority and outlays are within the discretionary caps.

Table 5. STATUS OF FY 1999 DISCRETIONARY APPROPRIATIONS

(In millions of dollars)

| | ВА | Outlays |
|--|---|-----------|
| Non-Defense Discretionary Spending, Excluding Vi Spending | olent Crime l | Reduction |
| Adjusted discretionary spending limits | 290,562 | 277,09 |
| Total enacted | 290,125 | 275,240 |
| Spending over/under (-) limits | -437 | -1,85 |
| Defense Discretionary Spendi | ng | |
| Adjusted discretionary spending limits | 286,850 | 275,733 |
| Total enacted | 286,844 | 274,478 |
| Spending over/under (-) limits | 6 | -1,25 |
| Violent Crime Reduction Spend | ling | |
| Adjusted discretionary spending limits | 5,800 | 4,95 |
| Total enacted | 5,797 | 4,946 |
| Spending over/under (-) limits | -3 | |
| Highway Category | | |
| Adjusted discretionary spending limits | | 21,99 |
| Total enacted | | 21,56 |
| Spending over/under (-) limits | *************************************** | -42 |
| Mass Transit Category | | |
| Adjusted discretionary spending limits | | 4,40 |
| Total enacted | | 3,94 |
| Spending over/under (–) limits | *************************************** | -45 |
| Total Discretionary Spending All Ca | tegories | |
| Adjusted discretionary spending limits | | 584,17 |
| Total enacted | 582,766 | 580,17 |
| Total ellacteu | | |

Status of FY 2000 discretionary appropriations.—Table 6 summarizes OMB scoring of the fiscal year 2000 appropriations bills.

OMB estimates that spending in the highway, mass transit, and other discretionary categories are within the budget authority

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and outlay limits set in the BBA. Spending in the violent crime reduction category is within the budget authority limit but exceeds the outlay limit by \$790 million. As a result, OMB will use the special outlay allowance

provided under section 251(b)(2) to adjust the limit to cover the breach. With this adjustment, OMB estimates that a sequester will not be required for any of the discretionary categories.

Table 6. STATUS OF 2000 APPROPRIATIONS ACTION

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(In millions of dollars)

| | ВА | Outlays | |
|---|---------|---------|---|
| OTHER DISCRETIONARY | | | |
| Agriculture and Rural Development | 13,982 | 14,387 | |
| Commerce, Justice, State and the Judiciary | 29,427 | 27,306 | 1 |
| Defense | 257,669 | 246,485 | |
| District of Columbia | 436 | 382 | |
| Energy and Water Development | 21,221 | 21,166 | |
| Foreign Operations | 13,539 | 12,226 | 2 |
| Interior and Related Agencies | 14,800 | 14,951 | |
| Labor, HHS, and Education | 81,795 | 84,256 | 3 |
| Legislative | 2,455 | 2,566 | |
| Military Construction | 8,373 | 8,626 | |
| Transportation and Related Agencies | 12.481 | 14,546 | |
| Treasury and General Government | 13,566 | 13,954 | 4 |
| Veterans Affairs, HUD, Independent Agencies | 69,356 | 82,370 | |
| Miscellaneous Provisions | -6,827 | -9,465 | |
| Emergency Appropriations Enacted/Released Since Feb- | • | • | |
| ruary Budget | 29,772 | 27,651 | |
| Total, Other Discretionary | 562,045 | 561,407 | _ |
| Final Sequestration Report Other Discretionary Limits | 563,602 | 564,870 | |
| CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS | -1,558 | -3,463 | |
| VIOLENT CRIME REDUCTION | ON | | |
| Commerce, Justice, State and the Judiciary | 4,216 | 6,044 | |
| Labor, HHS, and Education | 152 | 172 | |
| Treasury, Postal Service, and General Gov't | 132 | 128 | |
| Total, Violent Crime Reduction | 4,500 | 6,344 | |
| Final Sequestration Report Violent Crime Reduction Limits | 4,500 | 6,344 | |
| CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS | | | _ |
| HIGHWAY CATEGORY | | | |
| Transportation and Related Agencies | | 24,574 | |
| Total, Highway Category | | 24,574 | |
| Final Sequestration Report Highway Category Limits | | 24,574 | |
| CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS | | | |

Table 6. STATUS OF 2000 APPROPRIATIONS ACTION—Continued

| | BA | Outlays |
|---|---------|---|
| MASS TRANSIT CATEGOR | Y | |
| Transportation and Related Agencies | | 4,117 |
| Total, Mass Transit Category | | 4,117 |
| its | | 4,117 |
| CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS | | *************************************** |
| TOTAL DISCRETIONARY SPENDING ALI | CATEGOR | EIES |
| Total, Enacted Discretionary Spending | 566,545 | 596,442 |
| Final Sequestration Report Discretionary Limits | 568,102 | 599,905 |
| CONGRESSIONAL ACTION OVER/UNDER(+) LIMITS | -1,558 | -3,463 |

¹Estimates include \$351 million in BA for the funding provided for international arrearage 2 Estimates include \$75 million in BA for funding provided for international arrearage pay-

Comparison of OMB and CBO discretionary limits.—Section 254(d)(5) of the BEA tionary limits.—Section 204(0,0) of the BEA requires this report to explain the differences between OMB and CBO estimates for discretionary spending limits. Table 7 compares OMB and CBO limits for fiscal years 1998 through 2002. CBO uses the discretionary limits from OMB's sequestration update report as a starting point for adjustments in its endof-session sequestration report. Therefore, the differences between the OMB and CBO estimates reflect \$272 million in contingent emergency funds for the military construction transfer fund that were released by the President on September 21, 1999, and \$827 million in contingent emergency appropriations for natural disasters, wildland firefighting, and for the year-2000 computer conversion problem that were released by the President subsequent to the issue of the August Update Re-

ments.

3 Estimates include \$405 million in BA and \$373 million in outlays provided for funding for Continuing Disability Reviews (CDRs), and \$20 million in BA and \$2 million in outlays for adoption incentive payments.

4 Estimates include \$144 million in BA and outlays for the Earned Income Tax Credit Initiative (EITC).

Table 7. COMPARISON OF OMB AND CBO DISCRETIONARY SPENDING LIMITS
(In millions of dollars)

| · | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|--|--------------------------|---------------|------------------|---------------------------|
| Non-Defen | se Disci | etiona | •v | | |
| CBO Final Sequestration Report limits: | | | | | |
| BA | 256,048 | 289,735 | N/A | N/A | . N/. |
| OL | 286,265 | 276,814 | N/A | | |
| OMB Final Sequestration Report limits: | 200,200 | 270,014 | 11/21 | 14/2 | 14/1 |
| BA | 956 149 | 900 500 | N/A | NT/4 | NT/ |
| OL | 256,148 | 290,562 | | N/A | |
| Difference: | 286,325 | 277,097 | N/A | N/A | N/A |
| | | | | | |
| BA | 100 | 827 | N/A | N/A | N/A |
| OL | | 283 | N/A | N/A | N/A |
| Defense | Discret | ionary | | | |
| CBO Final Sequestration Report limits: | | | | | |
| BA | 271,832 | 286,578 | N/A | N/A | N/A |
| OL | 269,079 | 275,732 | N/A | N/A | N/A |
| OMB Final Sequestration Report limits: | | 2.0,.02 | 1011 | 14/21 | 14/1 |
| BA | 271,832 | 286,850 | N/A | N/A | N/A |
| OL | 269,079 | 275,732 | N/A | N/A | N/A |
| Difference: | 200,010 | 270,102 | 14/11 | IV/A | IVE |
| BA | *************************************** | 272 | N/A | N/A | 37/4 |
| OL | *************************************** | | N/A | | N/A |
| | *************************************** | | IV/A | N/A | N/A |
| Violent Cr | ime Re | duction | | | |
| CBO Final Sequestration Report limits: | | | | | |
| BA | 5,500 | 5,800 | 4,500 | N/A | N/A |
| OL | 4,833 | 4,953 | 5,554 | N/A | N/A |
| OMB Final Sequestration Report limits: | | -, | -, | | |
| BA | 5,500 | 5,800 | 4,500 | N/A | N/A |
| OL | 4.833 | 4,953 | 6,344 | N/A | N/A |
| Difference: | 2,000 | 1,000 | 0,011 | 14/11 | 14/27 |
| BA | | | | N/A | N/A |
| OL | | | 790 | N/A | N/A |
| *** | | | | | |
| Highwa CBO Final Sequestration Report limits: | ay Categ | gory | | | |
| DA | | | | | |
| BA | N/A | | ************* | | *********** |
| OL | N/A N/A | 21,991 | 24,574 | 26.219 | |
| OL | | 21,991 | 24,574 | 26,219 | 26,663 |
| OL | | | 24,574 | 26,219 | |
| OL OMB Final Sequestration Report limits: BA | N/A N/A | | | | 26,663 |
| OL DMB Final Sequestration Report limits: BA OL | N/A | | 24,574 | 26,219 26,219 | |
| OL | N/A N/A N/A | 21,991 | 24,574 | | 26,663 |
| OL MB Final Sequestration Report limits: BA OL Difference: BA | N/A N/A N/A | 21,991 | 24,574 | 26,219 | 26,663 |
| OL | N/A N/A N/A | 21,991 | 24,574 | | 26,663 |
| OL OL Sequestration Report limits: BA OL OL SIFIER SEQUESTRATION OL | N/A N/A N/A N/A | 21,991 | 24,574 | 26,219 | 26,663 |
| OL | N/A N/A N/A N/A | 21,991 | 24,574 | 26,219 | 26,663 |
| OL OL MB Final Sequestration Report limits: BA OL MB Final Sequestration Report limits: BA OL MB Final Sequestration Report limits: BA BA Sequestration Report limits: | N/A N/A N/A N/A | 21,991 | 24,574 | 26,219 | 26,663 |
| OL | N/A N/A N/A N/A N/A | 21,991 egory | 24,574 | 26,219 | 26,663 |
| OL | N/A N/A N/A N/A N/A N/A N/A | 21,991 | 24,574 | 26,219 | 26,663 |
| OL | N/A N/A N/A N/A N/A N/A N/A | 21,991 egory | 24,574 | 26,219 | 26,663 |
| OL | N/A | 21,991 egory 4,401 | 24,574 | 26,219 | 26,663 26,663 5,384 |
| OL | N/A N/A N/A N/A N/A N/A nsit Cat | 21,991 egory | 24,574 | 26,219 | 26,663 |
| OL OL Sequestration Report limits: BA OL SIFIER SEQUESTRATION REPORT LIMITS: BA OL Mass Traits BA OL SEQUESTRATION REPORT LIMITS: N/A N/A N/A N/A N/A N/A nsit Cat N/A N/A N/A N/A | 21,991 egory 4,401 | 4,117 | 26,219 | 26,663 26,663 5,384 |
| OL | N/A | 21,991 egory 4,401 | 24,574 | 26,219 | 26,663 26,663 5,384 |

Table 7. COMPARISON OF OMB AND CBO DISCRETIONARY SPENDING LIMITS—Continued

(In millions of dollars)

| OL N/A N/A 562,429 548,304 537,9 OMF Final Sequestration Report limits: BA N/A N/A 563,602 541,324 560,3 OL N/A N/A N/A 564,870 547,522 537,2 Difference: N/A N/A N/A -112 -427 -6 Total Discretionary Spending Limits CBO Final Sequestration Report limits: BA 533,380 582,113 568,214 541,751 550,47 OL 560,177 583,891 596,674 579,411 569,99 OMB Final Sequestration Report limits: BA 533,480 583,212 568,102 541,324 550,34 OL 560,237 584,174 599,905 578,629 569,33 Difference: BA 100 1,098 -112 -427 -6 | | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|--|----------|---------|---------|-----------|---------|
| BA N/A N/A 563,714 541,751 550,4 OL N/A N/A N/A 562,429 548,304 537,9 OMB Final Sequestration Report limits: BA N/A N/A 564,870 547,522 537,2 Difference: N/A N/A N/A -112 -427 -6 OL N/A N/A N/A -112 -427 -6 Total Discretionary Spending Limits CBO Final Sequestration Report limits: BA 533,380 582,113 568,214 514,751 569,9 OMB Final Sequestration Report limits: BA 533,480 582,212 568,102 541,751 569,9 OMF Final Sequestration Report limits: BA 533,480 582,212 568,102 541,324 569,9 OMF Final Sequestration Report limits: BA 534,860 582,212 568,102 541,324 550,34 BA 534,860 582,212 568,102 541,324 550,44 Difference: | Other D | iscretio | nary | | | |
| BA N/A N/A 563,714 541,751 550,4 OL N/A N/A N/A 562,429 548,304 537,9 OMB Final Sequestration Report limits: N/A N/A 564,870 547,522 537,2 Difference: N/A N/A N/A -112 -427 -6 OL N/A N/A N/A -112 -427 -6 OL N/A N/A 2,441 -782 -6 Total Discretionary Spending Limits CBO Final Sequestration Report limits: BA 533,380 582,113 568,214 541,751 569,9 OMF Final Sequestration Report limits: BA 534,840 582,113 568,214 579,411 569,9 OMF Final Sequestration Report limits: BA 534,840 583,212 568,102 541,324 550,34 OL 560,277 584,174 559,995 578,629 568,25 Difference: 8A 100 1,099 -112 | CBO Final Sequestration Report limits: | | | | | |
| OL N/A N/A 562,429 548,304 537,9 OMB Final Sequestration Report limits: BA N/A N/A 563,602 541,324 550,3 OL N/A N/A 564,870 547,522 537,2 Difference: BA N/A N/A -112 -427 -6 Total Discretionary Spending Limits CBO Final Sequestration Report limits: BA 533,380 582,113 568,214 541,751 550,4 OL 500,177 583,891 596,674 579,411 550,3 OMB Final Sequestration Report limits: BA 533,480 582,212 568,102 541,324 550,3 OL 560,237 584,174 599,905 578,629 569,32 Difference: BA 100 1,099 -112 -427 -1 | | N/A | N/A | 563.714 | 541.751 | 550,473 |
| OMB Final Sequestration Report limits: N/A N/A 563,602 541,324 550,3 DL N/A N/A 564,870 547,522 537,2 Difference: N/A N/A -112 -427 - DL N/A N/A 2,441 -782 -6 Total Discretionary Spending Limits CBO Final Sequestration Report limits: BA 533,380 582,113 568,214 541,751 550,4 OL 560,777 583,891 596,674 579,411 569,0 MB Final Sequestration Report limits: BA 533,480 582,212 568,102 541,324 550,3 OL 560,237 584,174 599,995 578,629 568,23 Difference: 8A 100 1,099 -112 -427 -6 | | N/A | | | | 537.92 |
| BA N/A N/A 563,602 541,324 550,3 OL N/A N/A 564,870 547,522 537,2 Difference: BA N/A N/A -112 -427 -6 OL N/A N/A 2,441 -782 -6 Total Discretionary Spending Limits CBO Final Sequestration Report limits: BA 533,380 582,113 568,214 541,751 550,4° OL 500,177 583,891 596,674 579,411 550,3° MB Final Sequestration Report limits: BA 533,480 582,212 568,102 541,324 550,3° OL 500,237 584,174 599,905 578,629 569,32 Difference: BA 100 1,099 -112 -427 -6 | | • | | 002,220 | 0 20,00 2 | 001,02 |
| OL | | N/A | N/A | 563 602 | 541 324 | 550,382 |
| Difference: BA | | | | | | 537.279 |
| BA N/A N/A -112 -427 -0 OL N/A N/A 2,441 -782 -6 Total Discretionary Spending Limits CBO Final Sequestration Report limits: BA 533,380 582,113 568,214 541,751 550,4 OL 560,777 583,891 596,674 579,411 560,2 MA 533,480 583,212 568,102 541,324 550,3 OL 560,237 584,174 599,905 578,629 569,32 Difference: BA 100 1,099 -112 -427 -5 BA 100 1,099 -112 -427 -5 | | 1011 | 11/11 | 004,010 | 011,022 | 001,27. |
| OL N/A N/A 2,441 -782 -6 Total Discretionary Spending Limits CBO Final Sequestration Report limits: BA 533,380 582,113 568,214 541,751 550,47 OL 560,177 583,891 596,674 579,411 569,97 OMB Final Sequestration Report limits: BA 533,480 583,212 568,102 541,324 550,34 OL 560,237 584,174 589,905 578,629 569,32 Difference: BA 100 1,099 -112 -427 -5 | | N/A | N/A | _119 | _497 | -9: |
| Total Discretionary Spending Limits BA | | | | | | -647 |
| CBO Final Sequestration Report limits: BA | Total Discretion | arv Sne | nding I | imits | | |
| BA 533,380 582,113 568,214 541,751 550,47 OL 560,177 583,891 596,674 579,411 569,9 OMB Final Sequestration Report limits: BA 533,480 583,212 568,102 541,324 550,34 OL 560,237 584,174 599,905 578,629 569,32 Difference: BA 100 1,099 -112 -427 -427 | | , p · | | | | |
| OL 560,177 583,891 596,674 579,411 569,90 OMB Final Sequestration Report limits: BA 533,480 583,212 568,102 541,324 550,34 OL 560,237 584,174 599,905 578,629 569,30 Difference: BA 100 1,099 -112 -427 -4 | | 533,380 | 582.113 | 568 214 | 541 751 | 550,473 |
| OMB Final Sequestration Report limits: BA 533,480 583,212 568,102 541,324 550,33 OL 560,237 584,174 599,905 578,629 569,32 Difference: BA 100 1,099 -112 -427 -4 | | | | | | |
| BA 533,480 583,212 568,102 541,324 550,30 OL 560,237 584,174 599,905 578,629 569,32 Difference: BA 100 1,099 -112 -427 -8 | | 000,277 | 000,001 | 000,011 | 010,111 | 000,010 |
| OL 560,237 584,174 599,905 578,629 569,32 Difference: BA 100 1,099 -112 -427 -4 | | 533.480 | 583 212 | 568 102 | 541 394 | 550 389 |
| Difference: BA | | | | | | |
| BA 100 1,099 -112 -427 -8 | | 000,201 | 004,114 | 000,000 | 070,028 | 000,020 |
| | | 100 | 1 000 | _119 | 497 | -91 |
| | | | | | | -647 |

OMB and CBO have different approaches to scoring emergency appropriations. CBO scores budget authority for contingent emergency appropriations in the fiscal year in which it is appropriated; OMB scores budget authority only for those contingent appropriations officially released by the President and designated by the President as emergency requirements.

On November 29, 1999, the President signed the Fiscal Year 2000 Consolidated Appropriations Act (P.L. 106-113) into law. The Act provides over \$10.5 billion in contingent emergency appropriations for non-defense discretionary activities, including \$4.5 billion for the decennial census, \$1.8 billion for the Wye River accord, \$1.7 billion for Head Start, and \$2.5 billion for other activities. In addition, the following bills also include

contingent emergency appropriations: the Fiscal Year 2000 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Act includes over \$8 billion in contingent emergency appropriations for emergency assistance to farmers; the Fiscal Year 2000 Department of Defense Appropriations Act includes \$7.2 billion contingent emergency appropriation for operations and maintenance; and, the Fiscal Year 2000 Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act includes a \$2.5 billion contingent emergency appropriation for the Disaster Relief Fund. CBO has included the full amount of this funding in its adjustment. OMB has adjusted the caps upward for the amounts that have been designated by the President as of January 19, 1999.

III. PAY-AS-YOU-GO SEQUESTRATION REPORT

Pay-as-you-go enforcement covers direct spending and receipts legislation. The BEA defines direct spending as entitlement authority, the food stamp program, and budget authority provided by law other than in appropriations acts. The following are exempt from the pay-as-you-go scorecard: Social Security, the Postal Service, legislation specifically designated as an emergency requirement, and legislation fully funding the Federal Government's commitment to protect insured deposite

The BEA requires that, in total, receipts and direct spending legislation not result in a net cost. If such legislation yields a net cost, and if the President and Congress do not fully offset it by other legislative savings, the law requires that a sequester of non-exempt direct spending programs offset the net cost.

The BEA requires that OMB submit a report to Congress that estimates the resulting change in outlays or receipts for the current year, the budget year, and the following four fiscal years for enacted direct spending and receipts legislation. The estimates, which

must rely on the economic and technical assumptions underlying the most recent President's budget, determine whether the payas-you-go requirement is met. The pay-as-you-go process requires that OMB maintain a "scorecard" that shows the cumulative net cost of such legislation.

Table 8 presents OMB estimates of payas-you-go legislation included in the individual bill reports. In total, these bills have resulted in a net cost of \$58 million for 1999 and a net savings of \$3,072 million in 2000. (As required by the BEA, the 1999 total reflects only Acts added to the scorecard after the 1999 final sequestration report was issued.) Under the BEA, the 1999 and 2000 totals are combined when determining the need for sequestration. Because the combined two year total is a net savings, no sequestration of direct spending programs is required for 2000. As required by the Consolidated Appropriations Act, the pay-as-you-go scorecard for all years was reset to zero on January 3, 2000. The table also shows the CBO estimate for each Act as it was reported in CBO's pay-as-you-go bill reports.

Table 8. NET COST OF PAY-AS-YOU-GO LEGISLATION 1 (In millions of dollars)

| Legislation enacted since the Balanced Budget Act of 1997. Balances shown in FY2000 Proview Report ONIC estimate A P. 1. 106-28 Education Placibility Partnership Act ONIS estimate C C C C C C C C C C C C C C C C C C C | | | | | | | | |
|--|--|-------|------------|------------|---|---------|--------------|--------|
| Harino enacted in the PL 106-28 R. HR 1368 HR 435 PL 106-59 W. HR 1568 PL 106-59 W. HR 1568 PL 106-54 KG 5,606 PL 106-67 PL 106-79 PL 106-77 W. HR 2561 PL 106-77 W. HR | | | | | | | | |
| PL 106-25 E. HR 890 PL 106-36 M. HR 1368 PL 106-50 V. HR 1568 PL 106-53 W S. 507 S. 507 PL 106-54 K S. 606 PL 106-57 D PL 106-59 D PL 106-59 CC HR 2561 PL 106-102 GS 990 PL 106-113 CC HR 3194 PL 106-113 CC HR 3194 | | | | | | | | |
| islation enacted in the PL 106-25 R HR 800 PL 106-36 W HR 1568 PL 106-50 W S. 507 PL 106-54 K S. 606 PL 106-57 D PL 106-79 D HR 2561 PL 106-102 G S. 900 PL 106-113 C HR 3194 PL 106-113 C HR 3194 | | 0 0 | -2,927 | 833 | -164 | 2.426 | 00 | -5,016 |
| PL 106-28 R. HR 800 PL 106-36 M. HR 1368 PL 106-59 W. HR 1568 PL 106-53 W. S. 507 PL 106-54 K. S. 606 PL 106-79 D. HR 2561 PL 106-102 G. S. 900 PL 106-113 C. HR 3194 PL 106-117 W. PL 106-117 W. | | • | i | i | | | | |
| HR 800 HR 405 HR 405 HR 405 HR 106-30 HR 106-30 PL 106-50 FL 106-51 S 507 S 606 PL 106-54 FR 2601 FR 2601 S 900 PL 106-107 FR 3194 PL 106-117 VV HR 3194 | | | | | | | | |
| PL 106-36 M HR 435 PL 106-50 VV PL 106-53 W S 507 PL 106-54 KG S 606 PL 106-65 NA S 606 PL 106-79 DP PL 106-79 DP HR 2561 PL 106-107 VV PL 106-113 CC HR 3194 PL 106-117 VV | | OMB | loes not c | onsider th | OMB does not consider this bill to be PAYGO | e PAYGO | _ | |
| PL 106-36 M HR 1368 PL 106-59 W HR 1368 PL 106-53 W S, 507 PL 106-54 K S, 606 PL 106-79 DP HR 2561 PL 106-102 G S, 900 PL 106-113 C HR 3164 PL 106-113 C | | ö | 32 | 7 | -19 | ip P | 0 | |
| H.R. 435 P.L. 106-50 P.L. 106-53 P.L. 106-54 S. 507 P.L. 106-55 S. 508 P.L. 106-65 P.L. 106-79 P.L. 106-102 P.L. 106-102 P.L. 106-113 C. H.R. 2364 P.L. 106-113 C. H.R. 3194 P.L. 106-113 C. H.R. 3194 | | | | | | | | |
| PL 106-59 W S 107 PL 106-54 KG S 608 PL 106-79 P PL 106-79 P PL 106-79 P PL 106-79 P PL 106-70 G PL 106-10 G S 900 PL 106-113 CG HR 3194 | | 10 | 8 | 7 ' | -15 | -27 | ۴, | 86. |
| PL 106-50 V PL 106-53 W S 507 S 606 PL 106-54 K S 606 PL 106-59 DA HR 2561 PL 106-102 CC HR 356 S 900 PL 106-102 CC HR 356 PL 106-113 CC HR 3194 | | ? | 14 | 7 | Ť | 4 | 7 | Ť |
| P. L. 106-53 W S. D. T. S. G. G. P. L. 106-54 Ka S. G. G. P. L. 106-55 N P. L. 106-65 N P. L. 106-107 G S. 900 P. L. 106-107 G S. 900 P. L. 106-113 CG H. R. 3194 P. L. 106-113 CG H. R. 3194 P. L. 106-113 CG | 1999 | • | | | | | | |
| P.L. 106-53 W S. 507 P.L. 106-54 Ks S. 606 P.L. 106-79 D P.L. 106-79 D P.L. 106-102 G S. 900 P.L. 106-113 CC H.R. 3164 P.L. 106-113 CC H.R. 3194 P.L. 106-113 CC H.R. 3194 | | | - 0 | - | | | - | |
| S. 507 P. L. 106-54 KG S. 606 P. L. 106-55 N S. 1059 P. L. 106-105 CG H. R. 356 P. L. 106-102 CG H. R. 356 S. 900 S. 900 S. 900 S. 900 P. L. 106-113 CG H. R. 3194 | | - | > | > | > | - | • | |
| PL 106-54 K6 S 606 S 606 PL 106-65 NA S 606 S 1059 PL 106-79 D PL 106-79 D PL 106-102 G S 900 PL 106-113 CC HR 3194 PL 106-117 VV | | - | 6 | | • | • | ٠ | |
| PL 106-54 K S 606 PL 106-65 N S 1069 PL 106-79 D HR 2561 PL 106-102 G HR 356 PL 106-113 G HR 1194 PL 106-113 C HR 1194 | | | 1 4 | - φ | . 10 | • • | 9 173 | |
| S. 606 P.L. 106-65 N P.L. 106-79 D H.R. 2561 P.L. 106-102 G S. 900 P.L. 106-113 C H.R. 3194 P.L. 106-117 V P.L. 106-117 V | | | | | | | | |
| P.L. 106-65 N S. 1069 P.L. 106-79 D H.R. 2561 H.R. 356 P.L. 106-102 G S. 900 P.L. 106-113 C H.R. 1194 P.L. 106-113 C | *************************************** | 25 | 0 | • | • | 0 | • | - |
| P.L. 106-55 N S. 1069 P.L. 106-79 D H.R. 2561 P.L. 106-102 G S. 900 P.L. 106-113 C H.R. 3194 P.L. 106-117 V | | 52 | 0 | • | • | • | 0 | 52 |
| S. 1069 P. L. 106-79 P. L. 106-79 P. L. 106-82 P. L. 106-102 S. 900 P. L. 106-113 C. H. R. 1194 P. L. 106-117 P. L | | | | | | | | |
| PL 106-79 HR 2561 PL 106-82 PL 106-102 S. 90 PL 106-113 C. HR 3194 PL 106-117 V. 116-117 PL 106-117 V. 116-117 V. 116-117 V. 106-117 | | • | 8 7 | 112 | 84 | 96 | 16 | 233 |
| PL 106-79 DH R 2561 PL 106-82 CA HR 356 PL 106-102 GA S. 900 PL 106-113 CA HR 81394 PL 106-117 VV | - Annual or an ann | 0 | -84 | 9 | 53 | 55 | 8 | Ŧ |
| H.R. 2561 P.L. 106-102 P.L. 106-102 S. 900 P.L. 106-113 C. H.R. 1134 P.L. 106-117 V. 1106-117 V. 1106- | | | | | | | | |
| PL 106-102 G HR.366 PL 106-102 G S.900 PL 106-113 C HR.3184 | *************************************** | OWED. | soes not c | onsider th | OMB does not consider this bill to be PAYGO | e PAYGO | | |
| PL 106-92 CA H.R. 356 PL 106-102 GA S. 900 PL 106-113 CA H.R. 3194 PL 106-117 VA | | 0 | 7 | • | 0 | 0 | • | -13 |
| P.L. 106-102 G. S. 900 P.L. 106-113 G. H.R. 3194 | ility to | | | | | | | |
| P.L. 106-102 G. S. 900 P.L. 106-113 C. H.R. 3194 | | - | c | - | 4 | • | | |
| P.L. 106-102 G. S. 900 P.L. 106-113 C. H.R. 3194 P.L. 106-117 V. | | | 0 | | ** | • | | |
| S. 900 P.L. 106-113 H.R. 3194 P.L. 106-117 | services | | | | | | | |
| P.L. 106-113 Co H.R. 3194 P.L. 106-117 Vo | | | | | | | | |
| P.L. 106-113 CA H.R. 3194 P.L. 106-117 VA | | • | -12 | -106 | -106 | -106 | -106 | -439 |
| P.L. 106-113 CA H.R. 3194 P.L. 106-117 VA | | • | ř | 7 | <u>۾</u> | -58 | آ | -166 |
| P.L. 106-117 V | | 1 | | | | | | |
| P.L. 106-117 Ve | | ۰ د | ٠ - | ٠ - | | 0 | • | |
| 1 | *************************************** | > | > | • | 0 | • | 0 | |
| H.R. 2116 OMB estimate | | • | 5 | 9 | 2 | : | ; | • |
| CBO ostimate | | | 3 . | 7 | 8 | 15 | 31 | 96 |

Table 8. NET COST OF PAY-AS-YOU-GO LEGISLATION 1—Continued (In millions of dollars)

| Report Number | Act. Number | Act Title | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 1999-2004 |
|--------------------------------------|---|--|--------------------------|-------------------------|------------|------------|-------------|-------------|-----------|
| 498 | P.L. 106-126 H.R. 3373 | 3 | ٥ | ទុ | ٦ | ٥ | e | 62 | 7 |
| · | | CBO estimate | • | 7 | 4 | 0 | 7 | - | -3 |
| <u>.</u> | S. 416 | Sisters Oregon Land Transfer Act OMB estimate | . • | 0 | • | • | 0 | c | |
| | | CBO estimate | • | - | • | • | • | • | |
| 200 | P.L. 106-169 H.R. 3443 | Foster Care Independence Act of 1999 OMB estimate | • | | ñ | ٩ | 1 | 8 | ٩ |
| | | CBO estimate | • | នុ | 7. | -12 | 7 | 7 | • |
| 109 | P.L. 106-170 | Ticket to Work and Work Incentives Improvement Act | • | | į | | | | : |
| - | 201 | CBO estimate | | ₽ 6 | 2,899 | 8,089 | 2,404 | 2,628 | 17,905 |
| | | Subtotal, legislation enacted in the 1st session of the 106th Congres. | 8 | : | 8 | 3 | 100 | 0 | |
| | | CBO estimate | 8 8 | -238 | 3,148 | 8,406 | 2,761 | 2,291 | 17,765 |
| | | Total, balances on January 3, 2000: | | | | | | | |
| | | OMB estimate | _ | -3,072 | 4,055 | 7,384 | 1,762 | 2,562 | 12,749 |
| | | CBO estimate Remove balances pursuant to P.L. 106-113: | \$ | 349 | 3,485 | 11,165 | 5,187 | 2,291 | 22,525 |
| | | OMB estimate | -58 | 3.072 | 4.055 | -7.384 | -1.762 | -2.562 | -12.749 |
| | | CBO estimate | | 349 | -3,485 | -11,165 | -5,187 | -2,291 | -22,525 |
| | | Current balances: | | • | • | • | | | |
| | | CRD catimate | • | • | 0 | 0 | 0 | 0 | _ |
| | | CBO estimate | o O | ۰ | ٥ | 0 | 0 | 0 | |
| Provisio Provisio identified a | s bills with im ms of this Act s pay-as-you-g | Perclades bills with impact of \$500,000 or less in each fiscal year 1999 through 2004 under both OMB and CBO scoring. Pervisions of this Act defined creates protions of the Act is subject to pay-as-yon-go and required that no estimates be added to the pay-as-yon-go scorecard for it. Provisions identified as pay-as-yon-go had the following net care. | B and CBO at no estim | scoring. ates be ado | led to the | pay-as-you | -go scoreca | ard for it. | Provision |
| | | OMB estimate | • | 1,552 | 5,504 | | 2,268 | 1,288 | |
| | | CBO estimate | • | -6,563 | 12,244 | 3,916 | 2,786 | 1,943 | |

Table 9. PAY-AS-YOU-GO LEGISLATION WITH IMPACT OF \$500,000 OR LESS ENACTED IN THE FIRST SESSION OF THE 106th CONGRESS

| Public Law Number | Act Number | Act Title |
|-------------------|------------|---|
| P.L. 106-4 | H.R. 540 | Nursing Home Resident Protection Amendments of 1999 |
| P.L. 106-5 | H.R. 808 | Family Farmer Bankruptcy Extension Act |
| P.L. 106-6 | S. 643 | Interim Federal Aviation Administration Authorization Act |
| P.L. 106-7 | H.R. 1212 | Crop Insurance Application Deadline Extension |
| P.L. 106-21 | H.R. 1376 | Tax Relief for Personnel Involved in Operation Allied Force |
| P.L. 106-26 | S. 531 | Congressional Gold Medal for Rosa Parks |
| P.L. 106-32 | H.R. 1034 | Act to Declare a Portion of the James River and Kanawha Canal Nonna igable waters ² |
| P.L. 106-37 | H.R. 775 | Y2K Act |
| P.L. 106-40 | S. 880 | Chemical Safety Inspection, Site Security and Fuels Regulatory Relief Ac |
| P.L. 106-41 | S. 604 | Lake Oconee Land Exchange Act |
| P.L. 106-43 | S. 1259 | Trademark Amendments of 1999 |
| P.L. 106-45 | H.R. 66 | Act to Preserve Cultural Resources of the Route 66 Corridor |
| P.L. 106-47 | S. 1543 | Tobacco Production and Marketing Information Act |
| P.L. 106-59 | S. 1637 | Extension of Certain Expiring FAA Authorizations 2 |
| P.L. 106-63 | S. 380 | Congressional Award Act Amendments of 1999 |
| P.L. 106–66 | S. 293 | Act to direct the Secretaries of Agriculture and Interior to convey certa- lands to San Juan College |
| P.L. 106-70 | S. 1606 | Family Farmer Bankruptcy Act Extension |
| P.L. 106-84 | H.R. 2841 | To amend the Revised Organic Act of the Virgin Islands |
| P.L. 106-95 | H.R. 441 | Nursing Relief for Disadvantaged Areas Act |
| P.L. 106-96 | H.R. 609 | To amend the Export Apple and Pear Act to limit the applicability of the Act to apples |
| P.L. 106-99 | H.R. 2303 | History of the House Awareness and Preservation Act |
| P.L. 106-100 | H.R. 3122 | To permit enrollment in the House Child Care Center of children of Fe eral employees |
| P.L. 106-104 | H.R. 3061 | S Visa and Refugee Assistance Authorization |
| P.L. 106-107 | S. 468 | Federal Financial Assistance Management Improvement Act of 1999 ² |
| P.L. 106-114 | S. 278 | Rio Arriba County Land Transfer Act |
| P.L. 106-116 | S. 1398 | Coastal Barrier Resources System Map Corrections |
| P.L. 106-118 | H.R. 2280 | Veterans' Compensation Cost-of-Living Adjustment Act |
| P.L. 106-120 | H.R. 1555 | Intelligence Authorization Act |
| Pvt.L. 106-3 | H.R. 322 | For the relief of Suchada Kwong ² |
| P.L. 106-128 | S. 574 | Delaware Coastal Barrier Map Correction |
| P.L. 106-138 | H.R. 2079 | Terry Peak Land Transfer Act |
| P.L. 106-139 | H.R. 2886 | Amendments to Immigration and Nationality Act |
| P.L. 106-143 | S. 28 | Four Corners Interpretive Center Act |
| P.L. 106-152 | H.R. 1887 | To punish the depiction of animal cruelty |
| P.L. 106-153 | H.R. 1932 | Gold Medal for Father Theodore M. Hesburgh |
| P.L. 106-154 | H.R. 2140 | Chattahoochee River National Recreation Area Act |
| P.L. 106-158 | H.R. 3381 | Export Enhancement Act |
| P.L. 106-159 | H.R. 3419 | Motor Carrier Safety Improvement Act |
| P.L. 106-160 | H.R. 3456 | Digital Theft Deterrence and Copyright Damages Act |
| P.L. 106-164 | S. 438 | Chippewa Cree Tribe Water Rights Settlement 2 |
| P.L. 106-168 | S. 335 | Deceptive Mail Prevention and Enforcement Act |

 $^{^1\}mathrm{CBO}$ does not score this bill as subject to pay-as-you-go requirements. $^2\mathrm{OMB}$ does not score this bill as subject to pay-as-you-go requirements.

Comparison with CBO estimates.—The BEA requires that OMB explain differences with CBO estimates of enacted pay-as-yougo legislation. The largest differences between OMB and CBO estimates for legislation enacted in the first session of the 106th Congress are for the Veterans Millennium Health Care

and Benefits Act and the Ticket to Work and Work Incentives Improvement Act.

For the Veterans Millennium Health Care and Benefits Act, OMB scores net costs of \$0.1 billion over the period 1999 through 2004, while CBO scores costs of \$1.2 billion. This difference is primarily due to different

interpretations of a requirement providing nursing home care to certain veterans. CBO believes the Act creates an entitlement to nursing home care for these veterans and thus scores direct spending. OMB views the Act as directing the Department of Veterans Affairs to give a higher priority to these veterans when they are seeking nursing home care. The benefits will be funded from the veterans medical care account, which is subject to annual appropriations.

OMB scores net costs of \$17.9 billion over the period 1999 through 2004 for the Ticket to Work and Work Incentives Improvement Act, \$ 2.4 billion more than CBO's estimate of \$15.5 billion. Much of the difference is the result of different scoring of tax provisions, primarily for extensions of the research and experimentation tax credit and Subpart F for active financing income.

These differences are the result of different baselines and estimating models.

OMB and CBO also have significant differences in the pay-as-you-go scoring of the Consolidated Appropriations Act. OMB scores net costs of \$1.6 billion in 2000; while CBO scores net savings of \$6.6 billion. This is largely the result of a different interpretation of which provisions are covered as pay-as-you-go under the Act's requirements. This Act also included a requirement that OMB and CBO not adjust their pay-as-you-go scorecards for any provisions of the Act. Thus, this difference does not affect the total difference between the OMB and CBO scorecards.

More detail on these differences, as well as smaller differences in other bills, is available in the separate reports issued subsequent to enactment of each bill.

OMB FINAL SEQUESTRATION REPORT TO THE PRESIDENT AND CONGRESS FOR FISCAL YEAR 2000



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

THE DIRECTOR

January 25, 2000

The President The White House Washington, DC 20500

Dear Mr. President:

Enclosed please find the OMB Final Sequestration Report to the President and Congress for fiscal year 2000, as required by the Budget Enforcement Act of 1990, as amended.

The report provides current estimates of the status of discretionary spending and the discretionary limits. It also provides the status of pay-as-you-go legislation. Comparisons with the estimates provided by the Director of the Congressional Budget Office in his report are also included.

Based on the estimates contained in this report, neither discretionary nor pay-as-you-go sequesters are required.

Sincerely,

Jacob J. Lew Director

Enclosure

Identical Letter Sent to The Honorable Albert Gore and The Honorable J. Dennis Hastert

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GENERAL NOTES

- All years referred to are fiscal years unless otherwise noted.
 Details in the tables and text may not add to totals due to rounding.

I. OVERVIEW

The Budget Enforcement Act of 1997 (BEA of 1997) extended and modified the expiring enforcement requirements of the Budget Enforcement Act of 1990 (BEA of 1990). The BEA of 1997 established new limits, or "caps," for discretionary spending through 2002. It also extended the requirement that legislation affecting direct spending or receipts not result in net costs to the Federal Government. The Transportation Equity Act for the 21st century (TEA-21) further modified the discretionary spending limits and created new limits for highway and mass transit spending. An across-the-board reduction of non-exempt spending, known as "sequestra-

tion", enforces compliance with these constraints.

The BEA requires that OMB issue reports on the overall status of discretionary and pay-as-you-go legislation. The end-of-session report, which OMB is required to issue after Congress adjourns sine die, determines whether or not a sequester is required. This report, which covers legislation enacted in the first session of the 106th Congress, indicates that no sequester is required for either mandatory or discretionary programs. As required by the Consolidated Appropriations Act, the pay-as-you-go balances for all years were reset to zero on January 3, 2000.

II. DISCRETIONARY SEQUESTRATION REPORT

Discretionary programs are funded annually through the appropriations process. The scorekeeping guidelines accompanying the Budget Enforcement Act of 1990 (BEA), as amended by the Omnibus Budget and Reconciliation Act of 1993 (OBRA) and the Budget Enforcement Act of 1997, identify accounts with discretionary resources. The Balanced Budget Act of 1997 (BBA) limited budget authority and outlays available for discretionary programs each year through 2002. For fiscal years 1998 and 1999, the BBA of 1997 established three separate categories of discretionary spending: defense, non-defense (excluding violent crime reduction spending), and violent crime reduction spending. For fiscal year 2000, the law divided discretionary spending into two categories: violent crime reduction spending and all other discretionary spending. For fiscal years 2001 and 2002, a single category for all discretionary spending was established. The Transportation Act for the 21st Century (TEA-21), which was enacted in June 1998, modified these categories by establishing two additional categories for highway and mass transit outlays for fiscal years 1999 through

OMB monitors compliance with the discretionary spending limits throughout the fiscal year. Appropriations that cause a breach in the budget authority or outlay limits trigger a sequester to eliminate that breach. The law, however, does not require that

Congress appropriate the full amount available under the discretionary limits.

The discretionary spending limits established in the various amendments to the BEA have worked in an environment of budget deficits to constrain the growth of discretionary spending. These limits were extended in the BBA and were based on an overall budget architecture that was intended to achieve balance by fiscal year 2002. The original BBA discretionary limit for fiscal year 2002 is \$3.5 billion less than the limit set for fiscal year 2000.

In fiscal year 1998, discretionary appropriations were enacted that complied with the limits set in law. Using the scoring rules required by the BEA, both OMB and CBO estimated that fiscal year 1999 appropriations complied with the statutory limits, although spending was expanded beyond the limits through several means. In particular, the emergency designation, which exempts spending from the spending limits, was used to fund roughly \$15.5 billion of fiscal year 1999 discretionary spending. In addition, reductions to mandatory programs and expanded use of advance appropriations were relied on to expand program levels and to fit fiscal year 1999 discretionary spending within the statutory limit. This trend continued in fiscal year 2000. Table 1 highlights the trend in the use of these mechanisms that expand discretionary spending between fiscal years 1998 and 2001.

Table 1. DISCRETIONARY SPENDING LEVELS

(In millions of dollars)

| | 1998 | 1999 | 2000 | 2001 |
|---------------------------------------|--------------|---------|----------|---|
| Original Balanced Budget Act Limits | | | | |
| BA | 526,857 | 532,999 | 537,193 | 542,032 |
| OL | 553,268 | 559,321 | 564,265 | 564,396 |
| Year-to-year percentage change: | | | | |
| BA | | 1.2% | 0.8% | 0.9% |
| OL | | 1.1% | 0.9% | 0.0% |
| Spending Funded by Alternative Mecha- | | | | |
| nisms: | | | | |
| BA | 2.981 | 26,424 | 49,290 | |
| OL | 1.017 | 13,483 | 29,750 | *************************************** |
| Discretionary Program Levels: | -, | , | , | |
| BA | 529,838 | 559.423 | 586,483 | 542.032 |
| OL | 554,285 | 572.804 | 594,015 | 564,396 |
| Year-to-year percentage change: | | 0.2,000 | 00 2,010 | , |
| BA | | 5.6% | 4.8% | -7.6% |
| A = | ************ | | | |
| OL | *********** | 3.3% | 3.7% | -5.0 |

The enacted BBA outlay limit for fiscal year 2000 allowed only 0.9 percent growth in discretionary outlays over the original limit for fiscal year 1999. The fiscal year 2000 appropriations included \$23.7 billion in emergency designations, additional advance appropriations, and several obligation delays. As can be seen in Table 2 of this section, the official scoring of fiscal year 2000 appropriations was \$537 billion in budget authority and \$569 billion in outlays. Adding spending supported by the financing mechanisms listed below, discretionary budget authority will be closer to \$586 billion and discretionary

outlays will be about \$599 billion for FY 2000, differences of \$49 billion (9 percent) and nearly \$30 billion (5 percent), respectively, greater than what was recorded under BEA scoring.

Table 2 shows the difference between the BEA scoring of fiscal year 2000 appropriations and the program level provided by designating funding as emergencies, expanding programs with advance appropriations, and offsetting spending with mandatory savings, rescissions, and obligation delays. Table 3 summarizes changes to the caps since 1990.

Table 2. FY 2000 DISCRETIONARY SPENDING SUMMARY

(In millions of dollars)

| | 200 | 0 |
|--|---------|---------|
| | BA | Outlays |
| OMB Scoring of FY 2000 Appropriations Action, Excluding Emergency Spending | 536,773 | 568,791 |
| Spending Designated as Emergency: | | |
| Decennial Census | 4,476 | 3.790 |
| DoD Military Operations and Maintenance Costs | 7,200 | 5,345 |
| DoD Military Pay Raise | 1.838 | 1,794 |
| Farm Service Agency | 229 | 157 |
| Head Start | 1,700 | 861 |
| Low Income Home Energy Assistance | 1,100 | 814 |
| Natural Resources Conservation Service/Rural Housing Service | 105 | 39 |

Table 2. FY 2000 DISCRETIONARY SPENDING SUMMARY—Continued (In millions of dollars)

| | 200 | 00 |
|--|---|---------|
| | BA | Outlays |
| Public Health and Social Services Emergency Fund | 584 | 30 |
| Student Financial Assistance | 10 | |
| Rural Development | 2 | |
| Refugee and Entrant Assistance | 427 | 15 |
| Wye River Memorandum | 1.825 | 3 |
| United Mine Workers Consolidated Benefit Fund | 68 | |
| Unreleased Contingent Emergency Spending in FY 2000 Consolidated Bill | 2,870 | |
| Releases of Emergency Spending Provided in Past Appropriations | 2,0.0 | |
| Bills | 1,268 | 7: |
| Subtotal, Spending Designated as Emergency | 23,702 | 14,3 |
| Spending Offset by Mandatory Savings: | | |
| Federal Reserve Balance Transfer | 3,752 | 3,75 |
| Acceleration of Spectrum Auction Receipts | 2,600 | 2,6 |
| Delay of Crime Victims Fund Spending | 525 | 52 |
| National Database of New Hires | 878 | 8 |
| SSBG | 605 | 92 |
| Cooperative State Research Education and Extension Activities | 120 | . : |
| Fund for Rural America | 60 | |
| Wetlands Reserve | 46 | |
| Environmental Quality Incentive Program | 26 | |
| Conservation Farm Option | 38 | |
| Food Stamp Program | 11 | 1 |
| Child Nutrition | 57 | ŧ |
| | 8,718 | |
| Subtotal, Spending Offset by Mandatory Savings | 0,710 | 8,82 |
| Additional FY 2000 Program Funded by FY 2001 Advance Ap- | 0,710 | 8,82 |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: | 0,710 | 8,82 |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence | 195 | |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence School Improvement Programs | • | |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence | 195 | |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education | 195 1,530 | |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence School Improvement Programs Vocational and Adult Education | 195 1,530 791 | |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education | 195 1,530 791 3,742 | |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families | 195 1,530 791 3,742 1,400 | |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund | 195 1,530 791 3,742 1,400 4,200 | |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 | 195 1,530 791 3,742 1,400 4,200 2,463 64 | |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations | 195 1,530 791 3,742 1,400 4,200 2,463 | |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations Spending Offset by Rescissions: | 195 1,530 791 3,742 1,400 4,200 2,463 64 | |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations Spending Offset by Rescissions: Assisted Housing | 195 1,530 791 3,742 1,400 4,200 2,463 64 14,385 | |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations Spending Offset by Rescissions: Assisted Housing Army Corps of Engineers General Investigations | 195 1,530 791 3,742 1,400 4,200 2,463 64 14,385 | |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations Spending Offset by Rescissions: Assisted Housing Army Corps of Engineers General Investigations Army Corps of Engineers Construction General Broadcasting Board of Governors International Broadcasting Op- | 195 1,530 791 3,742 1,400 4,200 2,463 64 14,385 2,319 1 13 | |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations Spending Offset by Rescissions: Assisted Housing Army Corps of Engineers General Investigations Army Corps of Engineers Construction General Broadcasting Board of Governors International Broadcasting Operations | 195 1,530 791 3,742 1,400 4,200 2,463 64 14,385 2,319 1 13 | |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations Spending Offset by Rescissions: Assisted Housing Army Corps of Engineers General Investigations Army Corps of Engineers Construction General Broadcasting Board of Governors International Broadcasting Operations Corporation for National and Community Service | 195 1,530 791 3,742 1,400 4,200 2,463 64 14,385 2,319 1 13 16 80 | |
| Additional FY 2000 Program Funded by FY 2001 Advance Appropriations: Reading Excellence School Improvement Programs Vocational and Adult Education Special Education Administration for Children and Families Housing Certificate Fund Training and Employment Services Postal Service Subtotal, Additional FY 2000 Program Funded by FY 2001 Advance Appropriations Spending Offset by Rescissions: Assisted Housing Army Corps of Engineers General Investigations Army Corps of Engineers Construction General Broadcasting Board of Governors International Broadcasting Operations | 195 1,530 791 3,742 1,400 4,200 2,463 64 14,385 2,319 1 13 | |

Table 2. FY 2000 DISCRETIONARY SPENDING SUMMARY—Continued (In millions of dollars)

| | 200 | 00 |
|--|---|---|
| | BA | Outlays |
| Small Business Administration Business Loan Program Account | 13 | ************* |
| Nuclear Waste Disposal | 4 | ********** |
| Subtotal, Spending Offset by Rescissions | 2,485 | |
| pending Offset by Timing Shifts and Obligation Delays: | | |
| Pay Delay | ***** | 3,5 |
| Defense Progress Payments | ************** | 1.2 |
| National Institutes of Health | | 9 |
| | | 1 |
| Centers for Disease Control | | 1 |
| Administration for Children and Families | *************************************** | 2 |
| Social Services Block Grant | | 1 |
| Substance Abuse & Mental Health Services Administration | | - |
| Substance Abuse & Mental Health Services Administration | | |
| Subtotal, Spending Offset by Timing Shifts and Obliga- | | |
| tion Delays | 40.000 | |
| | 49,290 | |
| tion Delays | | 6,54 29,78 598,54 |
| Subtotal, Adjustments | 49,290 | 29,7 |
| Subtotal, Adjustments | 49,290 | 29,7 |
| Subtotal, Adjustments 2000 Program Level | 49,290 586,063 | 29,7 |
| Subtotal, Adjustments | 49,290 586,063 | 29,7 |
| Subtotal, Adjustments 2000 Program Level demorandum: Technical Adjustments for Bridge Between Original BBA Limits and End-o-Session Scoring, Excluding Emergencies. Amounts Not Appropriated Under Cap. | 49,290 586,063 | 29,7 |
| Subtotal, Adjustments Subtotal, Adjustments 2000 Program Level Memorandum: Technical Adjustments for Bridge Between Original BBA Limits and End-original Secondary, Excluding Emergencies. Amounts Not Appropriated Under Cap Adjustments for Arrearages, CDFE, Adoption Payments, and EFTC | 49,290 586,063 | 29,7 598,5 3,463 684 |
| Subtotal, Adjustments 2000 Program Level demorandum: Technical Adjustments for Bridge Between Original BBA Limits and End-o- Session Scoring, Excluding Emergencies. Amounts Na Appropriated Under Cap Adjustments for Arresrages, CDR's, Adoption Payments, and EITC Adjustments for Previously Enacted Emergency Spending. | 49,290 586,063 | 29,77 598,5 3,463 -684 -3,814 |
| Subtotal, Adjustments 2000 Program Level Amorandum: Technical Adjustments for Bridge Between Original BBA Limits and End-original Section Section, Excluding Emergencies. Amounts Not Appropriated Under Cap Adjustments for Arrearages, CDR's, Adoption Payments, and EITC Adjustments for Previously Enacted Emergency Spending Changes in concepts and definitions | 49,290 586,063 | 29,77 598,5 3,463 -684 -3,814 -60 |
| Subtotal, Adjustments 2000 Program Level demorandum: Technical Adjustments for Bridge Between Original BBA Limits and End-o- Session Scoring, Excluding Emergencies. Amounts Not Appropriated Under Cap Adjustments for Arresrages, CDR's, Adoption Payments, and EITC Adjustments for Previously Enacted Emergency Spending Changes in concepts and definitions Rounding Adjustment to previously Classes | 49,290 586,063 | 29,70 598,5 3,463 -684 -3,814 -60 |
| Subtotal, Adjustments 2000 Program Level Assurandum: Technical Adjustments for Bridge Between Original BBA Limits and End-o-Session Scoring, Excluding Emergencies. Amounts Not Appropriated Under Cap Adjustments for Arrearages. CDR's, Adoption Payments, and EITC Adjustments for Previously Enected Emergency Spending Changes in concepts and definitions Rounding Adjustment (pursuant to section 307 of PL. 106-113) Special Outlay Adjustment | 49,290 586,063 1,558 -995 | 29,7 598,5 3,463 -684 -3,814 -60 |
| Subtotal, Adjustments Subtotal, Adjustments 2000 Program Level Assurandum: Technical Adjustments for Bridge Between Original BBA Limits and End-original Section Secring, Excluding Emergencies. Amounts Not Appropriated Under Cap Adjustments for Arrearages, CDR's, Adoption Payments, and EITC Adjustments for Previously Enected Emergency Spending Changes in concepts and definitions Rounding Adjustment (pursuant to section 307 of PL 106-113) Special Outlay Adjustment Adjustments for TEA-21 | 49,290 586,063 1,558 -995 -63 -1,065 -859 | 29,74 598,5- 3,463 -684 -3,814 -60 |
| Subtotal, Adjustments 2000 Program Level Assurandum: Technical Adjustments for Bridge Between Original BBA Limits and End-o-Session Scoring, Excluding Emergencies. Amounts Not Appropriated Under Cap Adjustments for Arrearages. CDR's, Adoption Payments, and EITC Adjustments for Previously Enected Emergency Spending Changes in concepts and definitions Rounding Adjustment (pursuant to section 307 of PL. 106-113) Special Outlay Adjustment | 49,290 586,063 1,558 -995 -63 -1,065 -859 | 29,7 598,5 3,463 -684 -3,814 -60 |

Table 3. HISTORICAL SUMMARY OF CHANGES TO DISCRETIONARY SPENDING LIMITS (In billions of dollars)

| | | 1661 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|-----------|-----------------------|----------------------------|---------------------------|----------------------------|--|--|---|------------------------------|------------------------------|----------------------------|--|---|
| TOTAL DISCRETIONARY Statutory Caps as set in OHRA 1990 and OBRA | BA | 491.7 | 503.4 524.9 | 511.5 534.0 | 510.8 534.8 | 517.7 540.8 | 619.1 647.3 | 528.1 547.3 | 530.6 547.9 | N/A N/A | N/A N/A | N/A N/A | N/A N/A |
| Adjustments for changes in concepts and definitions. Adjustments for changes in inflation | OR OR | | 7.7 0.10 0.5 0.3 | 82.25.25 2.4.1.75.25 | 80 50 60 70 52 80 70 80 | 8.8 11.3 8.8 8.8 | 0,00 0,00 0,00 8,1 | 0.222 4.662 4.668 | 3.1 0.0 0.0 0.0 | NNA NNA NA NA | NXXX XXXX Y | XXXX XXXX | NNN NN NN NN NN NN NN NN NN NN NN NN NN |
| Adustments for credit reetimates, IAS judoning, debt forgiveness, IMF, and CDRs | 58585B | 0.2 0.3 0.9 1.1 | 1880 | 13.0 0.8 6.4 5.4 | 90.0 | 0.9 1.7 10.1 -15.0 | 200220 20022 2002 20022 20022 20022 20022 20022 20022 20022 20022 20022 20022 2002 2002 20022 20022 20022 20022 20022 20022 20022 20022 20022 20022 2002 20022 20022 20022 20022 20022 20022 20022 20022 20022 20022 2002 2002 2002 2002 20022 20022 20022 20022 20022 20022 2 | 000 84.00 84.10 84 | 0.1 | N/A N/A N/A N/A | NNNNN | NNNNN NNN NN NN NN NN NN NN NN NN NN NN | NN NN N NA A A A A |
| Adjustments for special allowances: Discretionary new budget authority Outlay allowance | SE SE | 2.6 | 1.4 | 2.2 | 2.6 2.6 | 2.7 | Π | 0.5 | 0.1 | NNN NNA NA A | N'A N'A N'A | N/A N/A N/A | N N N N N |
| Subtotal, adjustments excluding Desert Study Desert Storm Adjustments for Operation Desert Shield/Desert Storm | BA OC. | 3.9 | 19.2 5.9 14.0 | 23.6 8.8 0.6 | 10.0 | 6.8 | 5.5 | 3.7 | 31 | N'A N'A | NA NA A | N/A N/A N/A | VN N |
| Total adjustments | 88 E | 37.2 37.2 | 33.2 | 24.2 16.4 | 14.3 12.8 | 7.8 | 7.5 | 3.7 | 3.1 | N N N | N'A N'A | N'A N'A | S S |
| Spending limits as of 2/6/97? | N OF N | 537.1 551.6 N/A | 536.6 545.7 | 535.7 550.4 N/A | 525.1 547.6 N/A | 511.0 548.6 NA | 526.7 552.7 N/A | 532.0 551.0 | 533.8 | N/A N/A | N/A N/A | N/N N/A | VNN N |
| Statutory Caps as set in 1997 Bipartisan Budget Agreement 3 | or A | N'A N'A | N'N N'A N'A | N/A N/A | N'A N'A N'A | N'A N'A | NA NA | N'A N'A | 6.9 526.9 553.3 | N/A 533.0 559.3 | N/A 537.2 564.3 | N/A 542.0 564.4 | N/A 551.1 560.8 |
| Adjustments for emergency requirements Adjustments for emergency requirements Adjustments for CDRs, Arrearages, BITC | GE GE GE | NNNNN NAAAAA | NXXXXX XXXXXX XXXXXX | NXXXXXX XXXXXX | NA A PA | NN | NXXXXXX XXXXXX | N/A N/A 7.7 2.7 | 0.00 0.00 0.00 0.00 | 22.9 22.9 22.9 19.4 | 29.8 31.5 1.0 1.0 | 9.0 | 0.2 -0.2 3.2 0.2 |

Table 3. HISTORICAL SUMMARY OF CHANGES TO DISCRETIONARY SPENDING LIMITS-Continued

| | | | | (armina or community) | , | | | | | | | | |
|--|-----|----------------|---|-----------------------|-------|--------|------------|-------|---|-------|----------------|---|------------|
| | | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| Admetments for special allowances: | | | | ĺ | | | | | | | | | |
| Adjustment for rounding | BA | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | NA | 1.1 | N/A | N/A |
| 1 | j: | Y. | ¥. | N/A | Š. | N/A | N/A | N/A | N/A | NA | ********* | N/A | N/A |
| Outlay adjustment | ď. | K . | ď. | Z: | N. | N/A | ¥. | | *************************************** | | | *************************************** | ********** |
| TEA_21 Adjustment (Not) ** | 3 4 | X X | K/N | ¥ × | N/N | N/A | X X | | Z.Y. | | χ. Ο . | | |
| | 5 | Š | N/A | Ž | ž | N N | Z V | Ž | X X | 7- | 200 | . 4 . 0 | 9.4 |
| 6 - 51 - 15 - 15 - 15 - 15 15 - 15 15 - 15 15 - 15 | | . 202 | | 1 | | | | • | | | | | |
| r mai Sequestration report spending innits | 65 | 557.1 651.6 | 545.7 | 550.4 | 547.6 | 511.0 | 5526.7 | 553.7 | 553.5 | 583.2 | 568.1 599.9 | 541.3 | 550.4 |
| | - | | *************************************** | | | | | | | | | | |

* Less than \$50 million.

** See Stolia of PL. 105-178, the Transportation Equity Act for the 21st Century (TEA-21), which was aigned by the President on June 6, 1998, established two new discretionary spending categories: Highway and Mass Transit. See. 8101(b) of TEA-22 provided for an offsetting adjustment in the existing discretionary spending limits.

*P. L. 104-15 Empergency Supplemental Appropriations for Additional Discaster Assistance, for Anti-Terrorism Initiatives for Assistance in the Recovery from the Trag-downward adjustment in the discretionary spending limits for 1985-1986 by the aggregate estimate by the amount of reductions in new budget authority and outlays for a Reflects combined General Purpose Discretionary and Violent Crime Reduction Discretionary spending limits.

*Reflects combined Defense Discretionary and Violent Crime Reduction Discretionary spending limits.

*Reflects combined Defense Discretionary and Wolent Crime Reduction Library Crime, Violent Crime Reduction, Highway Category, and Mass Transit Category spending limits.

Adjustments to discretionary limits.— Section 251(b)(2) authorizes certain adjustments after the enactment of appropriations. Table 4 includes those adjustments that can be made now due to legislation enacted to date. The section 251(b)(2) adjustments include:

• Emergency Appropriations.—Funding for amounts that the President designates as "emergency requirements" and that Congress so designates in law. Fiscal year 2000 appropriations acts included over \$31 billion in emergency funding, including over \$9 billion for emergency assistance to farmers and \$1.8 billion in advance appropriations for the 2000 military pay raise. As of January 19th, the President has authorized the release of \$28.6 billion of this funding, which was provided for

the 2000 decennial census, operations and maintenance activities of the Department of Defense, the fiscal year 2000 military pay raise, agricultural disasters within the United States, Head Start, the Low-income Home Energy Assistance program, the implementation of the Wye River peace accord, and other activities.

Further, since the August Update Report, the President has also authorized the release of \$1.3 billion in emergency appropriations that were previously enacted to support the Administration's efforts in addressing the year-2000 computer conversion problem, natural disasters, the fiscal year 2000 military pay raise, operations and maintenance activities of the Department of Defense, and to support the needs of States that have experienced extremely hot weather conditions.

Table 4. FINAL SEQUESTRATION REPORT ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS

(In millions of dollars)

| | | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|----------|--------------------|--------------------|------------|------------|------------|
| NON-DEFENSE DISCRETIONARY SPENDING, EXCLUD | ING | VIOLENT | CRIME R | EDUCTIO | N SPEN | DING |
| Update Report Non-Defense Discretionary Spending | BA | 256,148 | 289,735 | N/A | N/A | N/A |
| Adjustments for the Final Sequestration Report: | OL | 286,325 | 276,815 | N/A | N/A | N/A |
| Contingent Emergency Appropriations Released | BA | | 827 282 | N/A N/A | N/A N/A | N/A N/A |
| Subtotal, Adjustments for the Final Sequestration Report | | | 827 282 | N/A N/A | N/A N/A | N/A N/A |
| Final Sequestration Report Spending Limits | BA | 256,148 286,325 | 290,562 277,097 | N/A N/A | N/A N/A | N/A N/A |
| DEFENSE DISCRETION | ARY | SPENDING | 3 | | | |
| Update Report Defense Discretionary Spending Limits | BA OL | 271,832 269,079 | 286,578 275,732 | N/A N/A | N/A N/A | N/A N/A |
| Adjustments for the Final Sequestration Report: Contingent Emergency Appropriations Released | BA OL | ************ | 272 | N/A N/A | N/A N/A | N/A N/A |
| Subtotal, Adjustments for the Final Sequestration Report | BA OL | | 272 | N/A N/A | N/A N/A | N/A N/A |
| Final Sequestration Report Spending Limits | BA OL | 271,832 269,079 | 286,850 275,732 | N/A N/A | N/A N/A | N/A N/A |

Table 4. FINAL SEQUESTRATION REPORT ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS—Continued (In millions of dollars)

| | | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|----------|---|---------------|------------------|------------------|---------|
| VIOLENT CRIME REDUC | TION | SPENDIN | iG | | | |
| Update Report Violent Crime Reduction Spending Limits | BA | 5,500 | 5,800 | 4.500 | N/A | N/ |
| opane report violent Orime recuentis Spending sames | OL | | 4,953 | 5.554 | N/A | N/ |
| Adjustments for the Final Sequestration Report: | | | | -, | | |
| Special Outlay Allowance | BA - | | | | N/A | N/ |
| | OL | | | 790 | N/A | N/ |
| | - | | | | | |
| Subtotal, Adjustments for the Final Sequestration | BA | | | | N/A | N/ |
| Report | OL | *************************************** | | 790 | N/A | N/ |
| final control of the first term of the first ter | | | | | | |
| Final Sequestration Report Spending Limits | BA | 5,500 | 5,800 | 4,500 | N/A | N/ |
| | OL | 4,833 | 4,953 | 6,344 | N/A | N/ |
| HIGHWAY CAT | EGOI | RY | 100 | | | |
| Update Report Highway Category Spending Limits | BA | N/A | | | | |
| | OL | | 21,991 | | 26,219 | 26,66 |
| Adjustments for the Final Sequestration Report: | | | | - | | |
| No Adjustments | BA | | | | | |
| | OL | N/A | | | | |
| Final Sequestration Report Spending Limits | BA | | | | | |
| | OL | N/A | 21,991 | 24,574 | 26,219 | 26,66 |
| MASS TRANSIT C | ATEG | ORY | | - 1 | | |
| Update Report Mass Transit Category Spending Limits | BA | N/A | | | | |
| | OL | N/A | 4.401 | 4,117 | 4,888 | 5,38 |
| Adjustments for the Final Sequestration Report: | | | , | | -, | |
| No adjustments | BA | N/A | ************* | | | |
| | OL | | | | | |
| Final Sequestration Report Spending Limits | BA | N/A | | | | |
| | OŁ | N/A | 4,401 | 4,117 | 4,888 | 5,38 |
| OTHER DISCRETIONA | RY S | PENDING | | | | |
| Update Report Other Discretionary Spending Limits | BA | N/A | N/A | 531,771 | 541,324 | 550.38 |
| | OL | N/A | N/A | 541.574 | | 535,75 |
| Adjustments for the Final Sequestration Report: | | | | | | |
| Emergency Appropriations Enacted and Released | BA | N/A | N/A | 29,772 | | ******* |
| | OL | N/A | N/A | 22,777 | 5,218 | 1,51 |
| EITC Tax Compliance Initiative | BA | N/A | N/A | 144 | | |
| | OL. | N/A | N/A | 144 | | |
| Continuing Disability Reviews (CDRs) | BA | N/A | N/A | 405 | | |
| | OL | N/A | N/A | 373 | 32 . | |
| MDB Arrearage Payments (Foreign Operations bill) | BA | N/A | N/A | 75 | | |
| | OL | N/A | N/A | | 75. | |
| UN Arrearage Payments (Commerce/Justice/State bill) | BA | N/A | N/A | 351 | | |
| | OL | N/A | N/A | | | |
| Adoption Incentive Payments | BA | N/A | N/A | 20 | | |
| | OL | N/A | N/A | 2 | 11 | |
| | BA | N/A | N/A | 1,065 | | |
| Special Budget Authority for Rounding | | N/A | | | | |
| Special Budget Authority for Rounding | or | | | | | |
| | OL | · · · · · · | | | | |
| Subtotal, Adjustments for the Final Sequestration | | N/A | N/A | 91 899 | | |
| | BA OL | N/A N/A | N/A N/A | 31,832 23,296 | | |
| Subtotal, Adjustments for the Final Sequestration | BA OL | N/A | N/A | 31,832 23,296 | 5,687 | 1,52 |
| Subtotal, Adjustments for the Final Sequestration | BA | | | | 5,687 541,324 | |

Table 4. FINAL SEQUESTRATION REPORT ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS—Continued

(In millions of dollars)

| | | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|-------|---------|---------|---------|---------|---------|
| TOTAL DISCRETIONA | RY SF | ENDING | | | | |
| Preview Report Total Discretionary Spending Limits | BA | 533,480 | 566,380 | 536,271 | 541,324 | 550,382 |
| | OL | 560,237 | 576,089 | 570,945 | 571,047 | 567,800 |
| Update Report Total Discretionary Spending Limits | BA | 533,480 | 582,113 | 536,271 | 541,324 | 550,382 |
| | OL | 560,237 | 583,892 | 575,819 | 572,942 | 567,800 |
| Final Sequestration Report Spending Limits | BA | 533,480 | 583,212 | 568,102 | 541,324 | 550,382 |
| | OL | 560,237 | 584,174 | 599,905 | 578,629 | 569,326 |

- Continuing Disability Reviews.—Funding for additional continuing disability reviews (CDRs) under the heading, "Limitation on Administrative Expenses," for the Social Security Administration. The law limits adjustments to the budget authority and outlay estimates authorized in P.L. 105-33, the Balanced Budget Act of 1997. CDRs are conducted to verify that recipients of Social Security disability insurance benefits and Supplemental Security Income benefits for persons with disabilities are still disabled. The fiscal year 2000 Labor, Health and Human Services, Education, and Related Agencies Appropriations Act provided \$405 million for CDRs.
- Allowance for International Arrearages funding.—Funding for arrearages for international organizations, international peacekeeping, and multilateral development banks. The amount of the cap adjustment is limited to \$1.884 billion for fiscal years 1998 through 2000 in P.L. 105-33. A total of \$426 million was provided for international arrearage payments in fiscal year 2000 appropriations bills, bringing the total adjustments made for arrearage payments to the authorized limit of \$1.884 billion.
- Earned Income Tax Credit (EITC) Compliance Initiative.—Funding for EITC compliance initiatives, including the detection and enforcement of EITC eligibility rules in order to reduce EITC overclaims. Adjustments are limited to the budget authority and outlay estimates authorized in P.L. 105-33. The fiscal year 2000 Treasury

- and General Government Appropriations Act provided \$144 for EITC compliance.
- Adoption Incentive Payments.—The Adoption and Safe Families Act of 1997 authorizes bonus payments to States that increase the number of adoptions from the foster care system. The Act provides for a discretionary cap adjustment for appropriations up to \$20 million annually in fiscal years 1999 through 2003. It is assumed that the cost of adoption bonuses will be offset by reductions in mandatory foster care costs. The \$20 million requested was included in the fiscal year 2000 Labor, Health and Human Services, Education, and Related Agencies Appropriations Act.
- Special Outlay Allowance.—This allowance was included in the BEA to cover technical scoring differences that result when OMB scoring exceeds CBO scoring. If, in any year, outlays for a discretionary spending category exceed the spending limit for the category, but new budget authority does not exceed the limit for that category, the special outlay allowance may be used. The outlay adjustment is the amount of the excess spending over the limit. The adjustment can not exceed 0.5 percent of the sum of the adjusted discretionary spending limits on outlays for that fiscal year.

OMB's final estimate of fiscal year 2000 crime category spending indicates that a special outlay allowance adjustment of \$790 million is required to cover the outlay breach in this category.

 Adjustment for Rounding.—Public law 106-113, the FY 2000 Consolidated Appropriations Act, included a provision requiring OMB to adjust the FY 2000 limit on budget authority for the discretionary category upward by 0.2 percent, resulting in an increase of \$1.1 billion.

Status of FY 1999 discretionary appropriations.—Table 5 summarizes the status of enacted fiscal year 1999 discretionary appropriations, relative to the discretionary caps. Enacted budget authority and outlays are within the discretionary caps.

Table 5. STATUS OF FY 1999 DISCRETIONARY APPROPRIATIONS

| (In | millions | of do | llars) |
|-----|----------|-------|--------|
|-----|----------|-------|--------|

| | BA | Outlays |
|--|-------------|------------------|
| Non-Defense Discretionary Spending, Excluding Vi Spending | olent Crime | Reduction |
| Adjusted discretionary spending limits | 290,562 | 277,093 |
| Total enacted | 290,125 | 275,246 |
| Spending over/under (-) limits | -437 | -1,851 |
| Defense Discretionary Spendin | g | - |
| Adjusted discretionary spending limits | 286,850 | 275,732 |
| Total enacted | 286,844 | 274,475 |
| Spending over/under (-) limits | -6 | -1,257 |
| Violent Crime Reduction Spend | ng | |
| Adjusted discretionary spending limits | 5.800 | 4,953 |
| Total enacted | 5,797 | 4,946 |
| Spending over/under (-) limits | _3 | -7 |
| Highway Category | | |
| Adjusted discretionary spending limits | | 21,991 21,568 |
| Spending over/under (-) limits | | -423 |
| Mass Transit Category | | |
| Adjusted discretionary spending limits | | 4,401 |
| Total enacted | | 3,942 |
| Spending over/under (-) limits | 1 13.4 | -459 |
| Total Discretionary Spending All Cat | egories | |
| Adjusted discretionary spending limits | 583,212 | 584,174 |
| Total enacted | 582,766 | 580,177 |
| Spending over/under (-) limits | -446 | -3,997 |

Status of FY 2000 discretionary appropriations.—Table 6 summarizes OMB scoring of the fiscal year 2000 appropriations bills.

OMB estimates that spending in the highway, mass transit, and other discretionary categories are within the budget authority and outlay limits set in the BBA. Spending in the violent crime reduction category is within the budget authority limit but exceeds the outlay limit by \$790 million. As a result, OMB will use the special outlay allowance

provided under section 251(b)(2) to adjust the limit to cover the breach. With this adjustment, OMB estimates that a sequester will not be required for any of the discretionary categories.

Table 6. STATUS OF 2000 APPROPRIATIONS ACTION

(In millions of dollars)

| | ВА | Outlays | |
|---|---|--------------|-----|
| OTHER DISCRETIONARY | | | |
| Agriculture and Rural Development | 13,982 | 14,387 | |
| Commerce, Justice, State and the Judiciary | 29,427 | 27,306 | 1 |
| Defense | 257,669 | 246,485 | |
| District of Columbia | 436 | 382 | |
| Energy and Water Development | 21,221 | 21,166 | |
| Foreign Operations | 13,539 | 12,226 | 2 |
| Interior and Related Agencies | 14,800 | 14,951 | |
| Labor, HHS, and Education | 81,795 | 84,256 | , 3 |
| Legislative | 2,455 | 2,566 | |
| Military Construction | 8,373 | 8,626 | |
| Transportation and Related Agencies | 12,481 | 14,546 | |
| Treasury and General Government | 13,566 | 13,954 | 4 |
| Veterans Affairs, HUD, Independent Agencies | 69,356 | 82,370 | |
| Miscellaneous Provisions | -6,827 | -9,465 | |
| Emergency Appropriations Enacted/Released Since February Budget | 29,772 | 27,651 | |
| Total, Other Discretionary | 562,045 | 561,407 | |
| Final Sequestration Report Other Discretionary Limits | 563,602 | 564,870 | |
| rinal Sequestration Report Other Discretionary Limits | 200,000 | 302,070 | |
| CONGRESSIONAL ACTION OVER/UNDER() LIMITS | -1,558 | -3,463 | |
| VIOLENT CRIME REDUCTION | ON | | |
| Commerce, Justice, State and the Judiciary | 4,216 | 6,044 | |
| Labor, HHS, and Education | 152 | 172 | |
| Treasury, Postal Service, and General Gov't | 132 | 128 | |
| Total, Violent Crime Reduction | 4,500 | 6,344 | |
| Limits | 4,500 | 6,344 | |
| CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS | | ************ | |
| HIGHWAY CATEGORY | | | |
| Transportation and Related Agencies | *************************************** | 24,574 | |
| Total, Highway Category | , | 24,574 | |
| Final Sequestration Report Highway Category Limits | | 24,574 | |
| CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS | | | |

Table 6. STATUS OF 2000 APPROPRIATIONS ACTION—Continued (In millions of dollars)

| | BA | Outlays |
|---|---|---|
| MASS TRANSIT CATEGOR | Y | |
| Transportation and Related Agencies | *************************************** | 4,117 |
| Total, Mass Transit Category | ************** | 4,117 |
| Final Sequestration Report Mass Transit Category Limits | *************************************** | 4,117 |
| CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS | | *************************************** |
| TOTAL DISCRETIONARY SPENDING ALI | L CATEGOR | IES |
| Total, Enacted Discretionary Spending | 566,545 | 596,442 |
| Final Sequestration Report Discretionary Limits | 568,102 | 599,905 |
| CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS | 1,558 | -3,463 |

¹Estimates include \$351 million in BA for the funding provided for international arrearage

Comparison of OMB and CBO discretionary limits.—Section 254(d)(5) of the BEA requires this report to explain the differences between OMB and CBO estimates for discretionary spending limits. Table 7 compares OMB and CBO limits for fiscal years 1998 through 2002. CBO uses the discretionary limits from OMB's sequestration update report as a starting point for adjustments in its endof-session sequestration report. Therefore, the differences between the OMB and CBO esti-

mates reflect \$272 million in contingent emergency funds for the military construction transfer fund that were released by the President on September 21, 1999, and \$827 million in contingent emergency appropriations for natural disasters, wildland firefighting, and for the year-2000 computer conversion problem that were released by the President subsequent to the issue of the August Update Re-

¹ Estimates include \$351 million in BA for the funding provided for international arrearage payments.

² Estimates include \$465 million in BA and \$373 million in outlays provided for funding for Continuing Disability Reviews (CDRs), and \$20 million in BA and \$2 million in outlays for adoption incentive payments.

⁴ Estimates include \$144 million in BA and outlays for the Earned Income Tax Credit Initiative (EITC).

Table 7. COMPARISON OF OMB AND CBO DISCRETIONARY SPENDING LIMITS
(In millions of dollars)

| | | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|-------------------------------------|-------------------------|------------------|
| | Non-Defen | se Discr | etionar | v | | |
| CBO Final | Sequestration Report limits: | | | | | |
| BA | | 256,048 | 289,735 | N/A | N/A | N/ |
| | | 286,265 | 276,814 | N/A | N/A | N/ |
| | Sequestration Report limits: | 200,200 | 2.0,011 | | | 2.00 |
| | | 256,148 | 290,562 | N/A | N/A | N/ |
| | | | | | | |
| | | 286,325 | 277,097 | N/A | N/A | N/ |
| Difference: | | | | | | |
| | | 100 | 827 | N/A | N/A | N/ |
| OL | | 60 | 283 | N/A | N/A | N/ |
| | Defense | Discreti | ionary | | | |
| | Sequestration Report limits: | | | | | |
| BA | | 271,832 | 286,578 | N/A | N/A | N/A |
| OL | *************************************** | 269,079 | 275,732 | N/A | N/A | N/. |
| | l Sequestration Report limits: | , | , | | | , |
| | | 271,832 | 286,850 | N/A | N/A | N/ |
| | | 269,079 | 275,732 | N/A | N/A | N/ |
| Difference: | | 209,079 | 210,102 | IV/A | IV/A | 14/4 |
| | | | 000 | 27/4 | **** | |
| | | | 272 | N/A | N/A | N/ |
| OL | | | | N/A | N/A | N/. |
| | Violent Co Sequestration Report limits: | | | | | |
| | | 5,500 | 5,800 | 4,500 | N/A | N/ |
| | | 4,833 | 4,953 | 5,554 | N/A | N/ |
| OMB Final | Sequestration Report limits: | | | | | |
| BA | | 5,500 | 5,800 | 4,500 | N/A | N/. |
| OL Difference: | | 4,833 | 4,953 | 6,344 | N/A | N/ |
| | | | | | | |
| BA | | | | | N/A | N/ |
| | | | | 790 | N/A N/A | |
| OL | Highw | | *************************************** | | | |
| OL | Highw Sequestration Report limits: | | *************************************** | | | |
| OL | Highw Sequestration Report limits: | ay Cate | gory | 790 | N/A | N/ı |
| CBO Final BA | Highw Sequestration Report limits: | ay Cate | *************************************** | | | N/ı |
| OL CBO Final BA OL | Highw Sequestration Report limits: | ay Cate N/A N/A | gory 21,991 | 790 | N/A | N/ı |
| OL CBO Final BA OL OMB Final BA | Highw Sequestration Report limits: | ay Cate N/A N/A N/A | gory 21,991 | 790 24,574 | N/A 26,219 | 26,66 |
| CBO Final BA OL OMB Final BA | Highw Sequestration Report limits: | ay Cate N/A N/A | gory 21,991 | 790 | N/A | 26,66 |
| CBO Final BA OMB Final BA OL | Highw Sequestration Report limits: Sequestration Report limits: | N/A N/A N/A N/A | 21,991 21,991 | 790 24,574 | N/A 26,219 | 26,66 |
| OL CBO Final BA OMB Final BA OL Difference: BA | Highw Sequestration Report limits: Sequestration Report limits: | ay Cate N/A N/A N/A N/A | gory 21,991 | 790 24,574 | N/A 26,219 | 26,66 26,66 |
| OL CBO Final BA OL Difference: BA | Highw Sequestration Report limits: Sequestration Report limits: | N/A N/A N/A N/A | 21,991 21,991 | 24,574 24,574 | N/A 26,219 | 26,66 26,66 |
| OL CBO Final BA OMB Final BA OL Difference: BA | Highw Sequestration Report limits: Sequestration Report limits: | N/A N/A N/A N/A N/A N/A | 21,991 21,991 | 24,574 24,574 | N/A 26,219 26,219 | 26,66 26,66 |
| CBO Final BA OL OMB Final BA OL Difference: BA OL | Highw Sequestration Report limits: Sequestration Report limits: Mass Tra Sequestration Report limits: | N/A N/A N/A N/A N/A N/A N/A N/A | 21,991 21,991 | 24,574 24,574 | N/A 26,219 26,219 | 26,666 26,666 |
| CBO Final BA OL OMB Final BA OL Difference: BA OL | Highw Sequestration Report limits: Sequestration Report limits: Mass Tra | N/A N/A N/A N/A N/A N/A | gory 21,991 21,991 tegory | 24,574 24,574 | N/A 26,219 26,219 | 26,666 26,666 |
| CBO Final BA OL OMB Final BA OL Difference: BA OL | Highw Sequestration Report limits: Sequestration Report limits: Mass Tra Sequestration Report limits: | N/A N/A N/A N/A N/A N/A N/A N/A | 21,991 21,991 | 24,574 24,574 | N/A 26,219 26,219 | 26,66 26,66 |
| CBO Final BA OL Difference: BA OL CBO Final BA OL | Highw Sequestration Report limits: Sequestration Report limits: Mass Tra Sequestration Report limits: | ay Caten N/A N/A N/A N/A N/A N/A | gory 21,991 21,991 tegory | 790 24,574 24,574 | N/A 26,219 26,219 | 26,666 26,666 |
| OL CBO Final BA OL Difference: BA OL CBO Final BA CBO Final BA OL | Highw Sequestration Report limits: Sequestration Report limits: Mass Tra Sequestration Report limits: | ay Caten N/A N/A N/A N/A N/A N/A | gory 21,991 21,991 tegory | 790 24,574 24,574 | N/A 26,219 26,219 | 26,666 26,666 |
| OLOMB Final BAOLOL Difference: BAOLOLOLOLOLOLOLOLOLOLOLOLOLOB Final BAOLOMB Final BAOMB Final BAOMB Final | Highw Sequestration Report limits: Sequestration Report limits: Mass Tra Sequestration Report limits: | ay Cate N/A N/A N/A N/A N/A N/A N/A N/A | 21,991 21,991 21,991 tegory | 24,574 24,574 4,117 | 26,219 26,219 | 26,66 26,66 |
| CBO Final BA OL Difference: BA OL CBO Final BA CBO Final BA OL OMB Final | Highw Sequestration Report limits: Sequestration Report limits: Mass Tra Sequestration Report limits: | ay Caten N/A N/A N/A N/A N/A N/A | 21,991 21,991 21,991 tegory | 24,574 24,574 4,117 | N/A 26,219 26,219 | 26,66 26,66 |
| OL CBO Final BA OL OL Difference: BA OL CBO Final BA OL OMB Final BA OL DMB Final BA OL Difference: | Highw Sequestration Report limits: Sequestration Report limits: Mass Tra Sequestration Report limits: | N/A | 21,991 21,991 21,991 4,401 | 24,574 24,574 24,117 4,117 | 26,219 26,219 | 26,66 |
| OL CBO Final BA OL Difference: BA OL DIMB Final BA OL | Highw Sequestration Report limits: Sequestration Report limits: Mass Tra Sequestration Report limits: | ay Cate N/A N/A N/A N/A N/A N/A N/A N/A | 21,991 21,991 21,991 tegory | 24,574 24,574 4,117 | 26,219 26,219 | 26,66 26,66 |

Table 7. COMPARISON OF OMB AND CBO DISCRETIONARY SPENDING LIMITS—Continued

(In millions of dollars)

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|-----------|--------------|---------------|--------------|-------------|
| Other D | iscretio | nary | | | |
| CBO Final Sequestration Report limits: | | | | | |
| BA | N/A | N/A | 563,714 | 541,751 | 550,473 |
| OL | N/A | N/A | 562,429 | 548,304 | 537.92 |
| OMB Final Sequestration Report limits: | | | | | |
| BA | N/A | N/A | 563,602 | 541,324 | 550,38 |
| OL | N/A | N/A | 564.870 | 547,522 | 537,27 |
| Difference: | | | | | |
| BA | N/A | N/A | -112 | -427 | -9 |
| OL | N/A | N/A | 2,441 | -782 | -64 |
| Total Discretion | ary Spe | nding I | imits | | |
| CBO Final Sequestration Report limits: | | | | | |
| BA | 533,380 | 582,113 | 568,214 | 541,751 | 550,473 |
| OL | 560,177 | 583,891 | 596,674 | 579,411 | 569,97 |
| OMB Final Sequestration Report limits: | E00 400 | F00.010 | F40 100 | F 4 7 80 4 | *** *** |
| BA | 533,480 | 583,212 | 568,102 | 541,324 | 550,382 |
| OL | 560,237 | 584,174 | 599,905 | 578,629 | 569,326 |
| Difference: | | * 000 | 440 | 405 | |
| | | | | | |
| OL | 100 60 | 1,099 283 | -112 3.231 | -427 -782 | -9: -64' |

OMB and CBO have different approaches to scoring emergency appropriations. CBO scores budget authority for contingent emergency appropriations in the fiscal year in which it is appropriated; OMB scores budget authority only for those contingent appropriations officially released by the President and designated by the President as emergency requirements.

On November 29, 1999, the President signed the Fiscal Year 2000 Consolidated Appropriations Act (P.L. 106–113) into law. The Act provides over \$10.5 billion in contingent emergency appropriations for non-defense discretionary activities, including \$4.5 billion for the decennial census, \$1.8 billion for the Wye River accord, \$1.7 billion for Head Start, and \$2.5 billion for other activities. In addition, the following bills also include

contingent emergency appropriations: the Fiscal Year 2000 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Act includes over \$8 billion in contingent emergency appropriations for emergency assistance to farmers; the Fiscal Year 2000 Department of Defense Appropriations Act includes \$7.2 billion contingent emergency appropriation for operations and maintenance; and, the Fiscal Year 2000 Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act includes a \$2.5 billion contingent emergency appropriation for the Disaster Relief Fund. CBO has included the full amount of this funding in its adjustment. OMB has adjusted the caps upward for the amounts that have been designated by the President as of January 19, 1999.

III. PAY-AS-YOU-GO SEQUESTRATION REPORT

Pay-as-you-go enforcement covers direct spending and receipts legislation. The BEA defines direct spending as entitlement authority, the food stamp program, and budget authority provided by law other than in appropriations acts. The following are exempt from the pay-as-you-go scorecard: Social Security, the Postal Service, legislation specifically designated as an emergency requirement, and legislation fully funding the Federal Government's commitment to protect insured deposits

The BEA requires that, in total, receipts and direct spending legislation not result in a net cost. If such legislation yields a net cost, and if the President and Congress do not fully offset it by other legislative savings, the law requires that a sequester of non-exempt direct spending programs offset the net cost.

The BEA requires that OMB submit a report to Congress that estimates the resulting change in outlays or receipts for the current year, the budget year, and the following four fiscal years for enacted direct spending and receipts legislation. The estimates, which

must rely on the economic and technical assumptions underlying the most recent President's budget, determine whether the payas-you-go requirement is met. The pay-as-you-go process requires that OMB maintain a "scorecard" that shows the cumulative net cost of such legislation.

Table 8 presents OMB estimates of payas-you-go legislation included in the individual bill reports. In total, these bills have resulted in a net cost of \$58 million for 1999 and a net savings of \$3,072 million in 2000. (As required by the BEA, the 1999 total reflects only Acts added to the scorecard after the 1999 final sequestration report was issued.) Under the BEA, the 1999 and 2000 totals are combined when determining the need for sequestration. Because the combined two year total is a net savings, no sequestration of direct spending programs is required for 2000. As required by the Consolidated Appropriations Act, the pay-as-you-go score-card for all years was reset to zero on January 3, 2000. The table also shows the CBO estimate for each Act as it was reported in CBO's pay-as-you-go bill reports.

Table 8. NET COST OF PAY-AS-YOU-GO LEGISLATION 1 (In millions of dollars)

| | Number | | | | | | | 000 |
|-------------|---------------------------|---|---|-----------------|---------------------|------------|------|----------------|
| Legisla | tion enacted sit | Legislation enacted since the Balanced Budget Act of 1997: | | | | | | |
| | | Balances shown in FY2000 Preview Report OMB estimate | 0 -2.927 | -833 | -164 | -1,092 | . 0 | -5.016 |
| | | | | 337 | 2,759 | 2,426 | • | 6,109 |
| Legisla | tion enacted in | Legislation enacted in the 1st session of the 106th Congress: | | | | | | |
| NA | P.L. 106-25 | Education Flexibility Partnership Act | COAVE of the lift of the first of the coave | 1 | The Letters | 00000 | | |
| | H.R. 800 | CBO estimate | OMB does no 0 32 | consider -11 | unis oriu to -16 | ę s | | |
| 489 | P.L. 106-36 | Miscellaneous Trade and Technical Corrections Act of 1999 | | | ¥ | Ş | | |
| | H.R. 435 | UMB estimate CBO estimate | 17 27 | 7 7 | 4 T | γ 9 | 7 7 | ş q |
| 6 | P.L. 106-50 | Voterans Entrepreneurship and Small Business Development Act of 1999 | | | | | | |
| | H.R. 1568 | OMB estimate | | 0 0 | 0 | 0 0 | 0 0 | |
| | | CBO estimate | - | • | > | • | ٠. | - |
| 4 91 | P.L. 106–53 | Water Resources Development Act of 1999 | 5 | . • | - | . • | 6 | - |
| | | CBO estimate | 0 -19 | . 9 | 9 | 9 | | - 61 |
| 492 | P.L. 106-54 | Kerr-McGee and Menominee Indian Relief Payments | 9 | • | | • | • | |
| | 9.000 | CRO estimate | 52 0 | | | • • | 9 6 | 20 22 |
| 193 | P.L. 106-65 | National Defense Authorization Act for FY 2000 | | | | | | |
| | S. 1059 | OMB estimate | | 112 | 87 | 98 | 16 | 233 |
| | | CBO estimate | 097 | -10 | 8 | -25 | -36 | -139 |
| NA NA | P.L. 106-79 H.R. 2561 | Department of Defense Appropriations Act for FY 2000 OMB estimate | OMB does not consider this bill to be PAYGO | t consider | this bill to | be PAYGO | | |
| | | CBO estimate | 0 -13 | 0 | 0 | ٥ | 0 | -13 |
| \$ | P.L. 106-82 H.R. 356 | Conveyance of the Ames Research Center's Crows Landing Facility to Stainlaus County, California | | | | | | |
| | | OMB estimate | 00 | 0 0 | 9 10 | 0 0 | 0 0 | 9 10 |
| 495 | P.L. 106-102 | Gramm-Leach-Billey Act to enhance competition in the financial services | | | | | | |
| | 2 | OMB estimate | 0 -15 | -106 | -106 | -106 | -106 | 439 |
| | | CBO estimate | 0 -35 | 7 | 7 | -58 | ទ | -166 |
| 96 | P.L. 106-113 H.R. 3194 | Consolidated Appropriations Act 2 OMR estimate | • | | - | • | - | - |
| | | CBO estimate | | • | 0 | 0 | 0 | |
| 497 | P.L. 106-117 H.R. 2116 | Veterans Millennium Health Care and Benefits Act OMB estimate | 01 | 5 | 86 | Ā | | 9 |
| | | | | | 3 | 2 | | 3 |

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Table 8. NET COST OF PAYAS-YOU.GO LEGISLATION 1—Continued (In millions of dollars)

| Number | Act Number | Act Title | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 19992004 |
|--|---|---|-----------------------|-------------------------|------------|-----------|-----------|-------------|------------------|
| 86 | P.L. 106-126 H.R. 3373 | Leif Eritson Millennium Coin Act OMB estimate | ۰ | 7 | ٣ | ۰ | က | 81 | 7 |
| | | CBO estimate | 0 | 7 | ş | 0 | 67 | - | 4 |
| 661 | P.L. 106-144 | Sisters Oregon Land Transfer Act | c | • | o | 0 | 0 | ۰ | _ |
| | 2 | CBO estimate | | - | • | • | 0 | 0 | _ |
| 200 | P.L. 106-169 H.R. 3443 | Foster Care Independence Act of 1999 OMB estimate | • | 9 2 | ٣ | ۴ | 7 | 38 | 163 |
| | | CBO estimate | 0 | -23 | 75 | -15 | 7 | Ξ | _ |
| 201 | P.L. 106-170 H.R. 1180 | Ticket to Work and Work Incentives Improvement Act OMB estinate CBO estinate | 00 | 9- | 4,874 | 7,550 | 2,933 | 2,628 | 17,905 15,505 |
| | | Subtotal, legislation enacted in the 1st session of the 100th Congres. OMB estimate | 88 84 | -145 -238 | 4,888 | 7,548 | 2,854 | 2,562 | 17,765 |
| | | Total, balances on January 3, 2000: | | | | | | | |
| | | OMB estimate | 58 48 88 | -3,072 349 | 3,485 | 7,384 | 1,762 | 2,562 | 12,749 |
| | | Remove balances pursuant to P.L. 106-113: | | | | | | | |
| | | OMB estimate | 86 d | 3,072 | 4,055 | -7,384 | -1,762 | -2,562 | -12,749 |
| | | Current balances: | Î | ř | 0,400 | 201,110 | Š | 1000 | 9 |
| | | OMB estimate | 0 | 0 | ٥ | • | 0 | 0 | _ |
| | | CBO estimate | • | • | • | • | • | • | - |
| ¹ Exclus ² Provis identified | les bills with it ions of this Act as pay-as-you- | Excludes bills with impact of \$500,000 or less in each fineal year 1999 through 2004 under both OMB and CBO scoring. Provisions of his And defined extrain portions of the Act as subject to pay-as-you-go and required that no estimates be added to the pay-as-you-go had the following net cest: | and CBO t no estim | scoring. ates be add | led to the | pay-as-yo | se scorec | ard for it. | Provi |
| | | OMB estimate | 0 | 1,552 | 5,504 | | | 1,288 | 15,193 |
| | | CBO estimate | 0 | 6,563 | 12,244 | 3,916 | 2,786 | 1.943 | 14,326 |

Table 9. PAY-AS-YOU-GO LEGISLATION WITH IMPACT OF \$500,000 OR LESS ENACTED IN THE FIRST SESSION OF THE 106th CONGRESS

| Public Law Number | Act Number | Act Title |
|-------------------|------------|---|
| P.L. 106-4 | H.R. 540 | Nursing Home Resident Protection Amendments of 1999 1 |
| P.L. 106-5 | H.R. 808 | Family Farmer Bankruptcy Extension Act |
| P.L. 106-6 | S. 643 | Interim Federal Aviation Administration Authorization Act |
| P.L. 106-7 | H.R. 1212 | Crop Insurance Application Deadline Extension |
| P.L. 106-21 | H.R. 1376 | Tax Relief for Personnel Involved in Operation Allied Force |
| P.L. 106-26 | S. 531 | Congressional Gold Medal for Rosa Parks |
| P.L. 106-32 | H.R. 1034 | Act to Declare a Portion of the James River and Kanawha Canal Nonnav igable waters ² |
| P.L. 106-37 | H.R. 775 | Y2K Act |
| P.L. 106-40 | S. 880 | Chemical Safety Inspection, Site Security and Fuels Regulatory Relief Act |
| P.L. 106-41 | S. 604 | Lake Oconee Land Exchange Act |
| P.L. 106-43 | S. 1259 | Trademark Amendments of 1999 |
| P.L. 106-45 | H.R. 66 | Act to Preserve Cultural Resources of the Route 66 Corridor |
| P.L. 106-47 | S. 1543 | Tobacco Production and Marketing Information Act |
| P.L. 106-59 | S. 1637 | Extension of Certain Expiring FAA Authorizations 2 |
| P.L. 106-63 | S. 380 | Congressional Award Act Amendments of 1999 |
| P.L. 106-66 | S. 293 | Act to direct the Secretaries of Agriculture and Interior to convey certain lands to San Juan College |
| P.L. 106-70 | S. 1606 | Family Farmer Bankruptcy Act Extension |
| P.L. 106-84 | H.R. 2841 | To amend the Revised Organic Act of the Virgin Islands |
| P.L. 106-95 | H.R. 441 | Nursing Relief for Disadvantaged Areas Act |
| P.L. 106-96 | H.R. 609 | To amend the Export Apple and Pear Act to limit the applicability of th Act to apples |
| P.L. 106-99 | H.R. 2303 | History of the House Awareness and Preservation Act |
| P.L. 106-100 | H.R. 3122 | To permit enrollment in the House Child Care Center of children of Fed eral employees |
| P.L. 106-104 | H.R. 3061 | S Visa and Refugee Assistance Authorization |
| P.L. 106-107 | S. 468 | Federal Financial Assistance Management Improvement Act of 1999 ² |
| P.L. 106-114 | S. 278 | Rio Arriba County Land Transfer Act |
| P.L. 106-116 | S. 1398 | Coastal Barrier Resources System Map Corrections |
| P.L. 106-118 | H.R. 2280 | Veterans' Compensation Cost-of-Living Adjustment Act |
| P.L. 106-120 | H.R. 1555 | Intelligence Authorization Act |
| Pvt.L. 106-3 | H.R. 322 | For the relief of Suchada Kwong ² |
| P.L. 106-128 | S. 574 | Delaware Coastal Barrier Map Correction |
| P.L. 106-138 | H.R. 2079 | Terry Peak Land Transfer Act |
| P.L. 106-139 | H.R. 2886 | Amendments to Immigration and Nationality Act |
| P.L. 106-143 | S. 28 | Four Corners Interpretive Center Act |
| P.L. 106-152 | H.R. 1887 | To punish the depiction of animal cruelty |
| P.L. 106-153 | H.R. 1932 | Gold Medal for Father Theodore M. Hesburgh |
| P.L. 106-154 | H.R. 2140 | Chattahoochee River National Recreation Area Act |
| P.L. 106-158 | H.R. 3381 | Export Enhancement Act |
| P.L. 106-159 | H.R. 3419 | Motor Carrier Safety Improvement Act |
| P.L. 106-160 | H.R. 3456 | Digital Theft Deterrence and Copyright Damages Act |
| P.L. 106-164 | S. 438 | Chippewa Cree Tribe Water Rights Settlement ² |
| P.L. 106-168 | S. 335 | Deceptive Mail Prevention and Enforcement Act |

¹CBO does not score this bill as subject to pay-as-you-go requirements. ²OMB does not score this bill as subject to pay-as-you-go requirements.

Comparison with CBO estimates.—The BEA requires that OMB explain differences with CBO estimates of enacted pay-as-yougo legislation. The largest differences between OMB and CBO estimates for legislation enacted in the first session of the 106th Congress are for the Veterans Millennium Health Care

and Benefits Act and the Ticket to Work and Work Incentives Improvement Act.

For the Veterans Millennium Health Care and Benefits Act, OMB scores net costs of \$0.1 billion over the period 1999 through 2004, while CBO scores costs of \$1.2 billion. This difference is primarily due to different

interpretations of a requirement providing nursing home care to certain veterans. CBO believes the Act creates an entitlement to nursing home care for these veterans and thus scores direct spending. OMB views the Act as directing the Department of Veterans Affairs to give a higher priority to these veterans when they are seeking nursing home care. The benefits will be funded from the veterans medical care account, which is subject to annual appropriations.

OMB scores net costs of \$17.9 billion over the period 1999 through 2004 for the Ticket to Work and Work Incentives Improvement Act, \$ 2.4 billion more than CBO's estimate of \$15.5 billion. Much of the difference is the result of different scoring of tax provisions, primarily for extensions of the research and experimentation tax credit and Subpart F for active financing income.

These differences are the result of different baselines and estimating models.

OMB and CBO also have significant differences in the pay-as-you-go scoring of the Consolidated Appropriations Act. OMB scores net costs of \$1.6 billion in 2000; while CBO scores net savings of \$6.6 billion. This is largely the result of a different interpretation of which provisions are covered as pay-as-you-go under the Act's requirements. This Act also included a requirement that OMB and CBO not adjust their pay-as-you-go scorecards for any provisions of the Act. Thus, this difference does not affect the total difference between the OMB and CBO scorecards.

More detail on these differences, as well as smaller differences in other bills, is available in the separate reports issued subsequent to enactment of each bill.